Austria Sch 19	Indonesia Rp 2500	Portugal Esc 80
Bahrain Din 0.650	Italy L 1200	S Arabia Rls 8.00
Belgium BFr 38	Japan Y 550	Singapore S$ 4.10
Canada C$2.00	Jordan Fils 500	Spain Pts 100
Cyprus C£0.60	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.25	Lebanon L£ 6.00	Sweden SKr 6.50
Egypt E£1.00	Luxembourg LFr 38	Switzerland SFr 2.00
Finland Fmk 5.50	Malaysia Ringg 4.25	Taiwan NT$ 65
France Fr 6.00	Mexico Peso 300	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.00	Turkey L 180
Greece Dr 60	Netherlands Fl 2.50	U.A.E. Dh 6.50
Hong Kong HK$ 12	Norway NKr 6.00	U.S.A. $1.50
India Rup 15	Philippines Peso 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,431 — Tuesday September 25 1984 — D 8523 B

Pesenti's crippled empire up for grabs, Page 21

NEWS SUMMARY

GENERAL

Pressure on Israel to quit Lebanon

Diplomatic activity after the bombing of the U.S. embassy in Beirut appears to have pushed forward efforts to secure a withdrawal of Israeli forces from south Lebanon, where their presence is considered a stumblingblock to peace.

The surprise visit by Mr Richard Murphy, the U.S. Assistant Secretary of State for Middle East Affairs, to Damascus is almost certainly connected with attempts to end the Israeli occupation of south Lebanon.

The visit coincided with a significant statement by Mr Yitzhak Shamir, the Israeli Foreign Minister, that Jerusalem is prepared to drop its demand for the simultaneous withdrawal of Syrian and Israeli troops from Lebanon. Page 7; Editorial comment, Page 16

Chad withdrawal

France and Libya went ahead with preparations for a massive troop withdrawal from Chad, due to begin today.

Swedish Navy plea

Admiral Bengt Schuback, the new commander-in-chief of the Swedish Navy, said the country's anti-submarine forces should be tripled.

Smugglers arrested

West German customs arrested a seven-man gang that smuggled gold and silver worth over DM 40m ($13m) from Luxembourg to West Germany.

Spy suspect

West German counter-intelligence agents detained an employee of aerospace and arms manufacturer Messerschmitt-Bölkow-Blohm on suspicion of spying for the Soviet Union. MBB plays a leading role in production of Nato's latest multi-role combat aircraft, the Tornado.

Neo-Nazi plan

Neo-Nazi leader Karl-Heinz Hoffmann, accused of ordering two murders in West Germany, told a Nuremberg court he had planned to build an arms factory in Lebanon to supply Palestinian guerrillas.

Pershing accident

A U.S. Army tractor-trailer carrying an unarmed Pershing 2 nuclear missile overturned during a training exercise in West Germany, damaging the rocket but causing no injuries.

Schoolboys die

Minibus carrying schoolboys to football match collided with a steel lorry in West Bromwich, England, killing a teacher and four children and injuring nine.

Soviet donation

Soviet miners have donated a day's wages, about 20,000 roubles ($23,600), to a fund for striking miners in the UK.

Airliner escape

All 308 people aboard an Afghan Airlines DC-10 escaped when the aircraft made an emergency landing at Kabul after being shot at and badly damaged by guerrillas.

Volcano rescue

Rescue teams saved about 150 people from torrents of scalding mud in the central Philippines when Mount Mayon volcano erupted again, threatening towns and villages with streams of lava.

N-plant debate

Controversy continues to surround the building of a new nuclear power station in Switzerland, despite the failure at the weekend of two anti-nuclear referendum proposals. Page 2

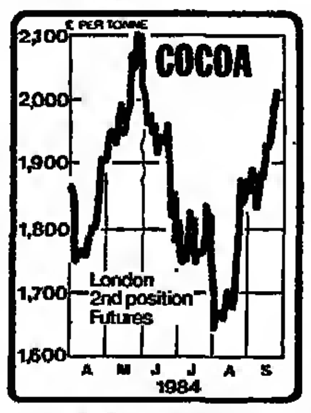
BUSINESS

U.S. bank profits are 'not realistic'

U.S. BANK profits would be sharply reduced if they accounted realistically for their loans to less developed countries, says Moody's, the credit rating agency. Page 19

DOLLAR was weaker in London, falling to DM 3.023 (DM 3.06), FFr 9.2455 (FFr 9.4), and SwFr 2.4925 (SwFr 2.5075). It was slightly firmer at Y244.1 (Y244.0). On Bank of England figures, its trade-weighted index closed at 140.9 from 142.3. In New York it closed at DM 3.0360-90, FFR 9.3, SwFr 2.501 and Y244.70. Page 39

STERLING also sustained losses in London, falling to $1.2465 ($1.2475), DM 3.7575 (DM 3.83), FFr 11.5265 (FFr 11.9425), SwFr 3.1025 (SwFr 3.155) and Y304.0 (Y304.125). Its trade-weighted index fell to 78.7 from 76.9. In New York it closed at $1.2255. Page 39



COCOA prices rose sharply on the London futures market, on fears of renewed setbacks to next year's crops. The December position rose £28.5 to £2,014.5 a tonne, while there were gains of over £50 for more distant delivery positions. Page 38

GOLD improved by $0.50 an ounce on the London bullion market to $347.00. It was also higher in Frankfurt at $346.00 and in Zurich at $346.25. In New York, the Comex September settlement was $345.50. In New York, the Comex September settlement was $345.50. Page 38

LONDON: Concern about the coal miners' strike pushed prices lower and the FT Industrial Ordinary index closed down 6.0 at 863.4. Tokyo was closed for a holiday. Sektion III

WALL STREET: The Dow Jones industrial average index closed 3.32 up at 1,205.06. Section III

ITALIAN Premier Bettino Craxi hopes next year to introduce a "heavy lira," which would equal 1,000 of the present much devalued currency units. Page 3

RENAULT resolved an industrial dispute that threatened to disrupt launch of a new model by giving in to most of the French union's demands. Page 18 **LEYLAND** today launches a new medium-weight truck called Roadrunner. Page 11

MONTEDISON, leading Italian chemicals group, expects to break even this year after losses of L322bn ($170m) last year and L859bn in 1982. Page 21

NEW YORK Stock Exchange will begin trading in several new options contracts, including individual stock options, this year after the success of composite index-based contracts. Page 21

FRENCH Exxon subsidiary Esso SAF achieved profits of FFr 133m ($14m) in the first half of the year, recovering from a FFr 307m loss in the corresponding period of 1983. Page 21

SULZER Brothers, Swiss engineering group, reports a 38 per cent jump in first-half new orders and expects reduced losses this year. Page 21

AUTOMOBILES PEUGEOT, the car division of the French motor group, has appointed Jean Boillot, chief executive to replace Jacques Calvet, who becomes group chairman. Page 21

Reagan offers restraint on 'star wars' defence

BY REGINALD DALE, U.S. EDITOR, IN NEW YORK

PRESIDENT RONALD Reagan yesterday offered to consider "restraint" in his "star wars" programme of space-based strategic defence in an attempt to entice the Soviet Union back to the nuclear arms negotiating table.

In an optimistic and conciliatory election-year address to the United Nations General Assembly, Mr Reagan called for the resumption of superpower talks "by the end of this year or shortly thereafter" in the hope of achieving an "historic breakthrough" in arms control.

U.S. officials said Mr Reagan's offer of restraint might involve a moratorium in the testing of anti-satellite weapons, which the Soviet Union has called for as a precondition for resuming negotiations.

Mr Reagan made clear, however, that any such move by the U.S. would depend on an equivalent Soviet restraint in space and substantial reductions in offensive strategic nuclear weapons. It would also have to be agreed during renewed talks, not before them, he told the United Nations.

U.S. officials said that while Mr Reagan's proposal did not represent a real shift in the U.S. position, it had been phrased in new, more forthcoming language to make it easier for the Soviet Union to resume the strategic arms negotiations that it suspended in Geneva at the end of last year.

Declaring that the U.S. was ready for "constructive negotiations" with the Soviet Union, now that it had "repaired its strength," Mr Reagan called for a wide-ranging new series of exchanges and negotiations between the superpowers on arms reductions and other world issues.

He proposed "periodic consultations" at senior official level on regional issues around the world, to reduce the risk of U.S.-Soviet confrontation, and regular, institutionalised Cabinet-level meetings between the two superpowers.

In such talks, he suggested, the two sides could, for example, consider exchanging their outline five year military plans for weapons development and procurement, and sending site observers to each other's countries to verify underground nuclear weapons testing limits. "We should work towards having such arrangements in place by next spring," he said.

Mr Reagan said the arms control process should be brought under a "bigger umbrella" so that progress would not depend on any single set of negotiations. U.S. officials said the idea was that some new organisational framework – possibly the intensified ministerial meetings – should supervise all the various individual arms control talks.

"If progress is temporarily halted at one set of talks, this newly established framework for arms control could help take up the slack at other negotiations," Mr Reagan said.

Mr Reagan is to put the proposals, which U.S. officials say are flexible, to Mr Andrei Gromyko, the Soviet Foreign Minister, at a meeting in Washington on Friday. Mr Gromyko yesterday sat just 15 feet in front of Mr Reagan, in stony and inscrutable silence, as Mr Reagan delivered his half-hour address to the assembly.

While the Reagan Administration hopes Moscow is now more ready to

Continued on Page 18

INFLATION 'NOT YET BEATEN'

IMF chief warns against relaxation of strict policies

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN WASHINGTON

THE WORLD economy is in better general shape now than at any time for the last eight years, Mr Jacques de Larosiere, managing director of the International Monetary Fund, told the formal opening of the IMF and World Bank annual conference in Washington yesterday. He gave a strong warning, however, that countries must not yield to the temptation to relax their stringent financial policies.

"The fight against inflation is not yet over. We still have to maintain the course and resist the pressures from whatever source to relax the commitment to financial discipline," he said.

He also gave a warning of the danger to the world economy if the U.S. failed to act decisively to curb its budget deficit and to ensure that economic growth did not proceed so fast as to lead to a resurgence of inflation.

Mr de Larosiere drew attention to the relatively stagnant growth of the European economies and continuing high unemployment there. Public-sector spending remained too high in several of those countries, he added.

He said the IMF expected output in the industrial countries to grow by 5 per cent this year, the fastest for eight years. A general acceleration of growth rates had been accompanied by falling inflation, and the general benefits were spreading to the Third World.

One of the main factors behind that improvement had been the success in reducing inflation, which "has transformed the climate in which business and consumer decisions are made," he said.

That more stable financial environment made savers and investors more willing to enter long-term commitments and helped in the recent expansion of business capital.

Therefore the stance of monetary policy should remain fairly tight over the medium term, with the aim of a further steady reduction in inflation. "The lesson of the 1970s is that focusing monetary policy too narrowly on interest rates is dangerous and ultimately abortive," he said.

Almost every country still needed to reduce its inflation rate, he said, and reminded the finance ministers and central bankers present at the conference that the 4½ per cent inflation projected for industrial countries this year was still 1½ percentage points above the average annual rate in the early and middle 1960s.

Mr de Larosiere repeated his recent strong call for a general reduction in government deficits, which, he said, made markets fear that governments would resort to printing money as well as siphoning off savings away from business investment.

On Third World debt, Mr de Larosiere was cautiously optimistic. He said: "The prospects for an orderly and effective handling of the debt situation are much better than they were a year ago."

He added that the IMF commitment to help members should not entail any need for extra borrowing for the time being. That reflected the fund's prudent policies towards its members.

Although, he said, there was a need to consider a longer-term solution to the difficulties of debtor countries in conjunction with the World Bank, the IMF's sister organisation, Mr de Larosiere firmly emphasised the virtue of the fund's present case-by-case approach on short-term assistance with strict conditions attached.

He pointed out that the current account deficit of the non-oil developing countries' balance of payments is expected to be less than $50bn this year, well under half the figure of three years ago and only 9 per cent of their exports. That would be the lowest proportion for 20 years.

Nevertheless, those countries would continue to need to make strenuous adjustments to live within their means, and Mr de Larosiere said: "Adjustment is not a policy option: it is obligatory for a country's survival."

The IMF policies were not short-sighted or "anti-growth", as was sometimes contended. "Far from it: they are consistent with growth and, indeed, indispensable to it."

He said: "It is in that context that the collaboration of the Fund and the World Bank is so important."

Mr de Larosiere also made a strong plea, clearly directed at the U.S., for an increase in aid to the Third World to help those nations with the long-term adjustment that stemmed from the disciplines of IMF programmes.

In another remark, also directed at the U.S., he called for closer collaboration among the leading nations over the thrust of their economic policies with better arrangements for monitoring by the IMF.

IMF meeting, Page 4; More decisions for Argentina; Venezuelan rescheduling, Page 18

Dollar falls as Bundesbank intervenes again

BY PHILIP STEPHENS IN LONDON, STEWART FLEMING IN WASHINGTON AND WILLIAM HALL IN NEW YORK

THE DOLLAR fell on foreign exchange markets yesterday in the face of further determined intervention by the West German Bundesbank.

Foreign exchange dealers, however, reported strong underlying demand for the U.S. currency and expressed doubts that the West German central bank alone could put more than a temporary brake on its recent rise.

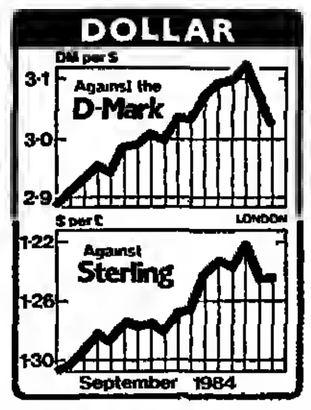
There were indications that one or two other central banks, including the Bank of Italy and the Bank of England, may have sold small quantities of dollars, but no sign of a big concerted move to push the dollar lower.

The dollar recovered in New York, however, late yesterday to finish close to its day's high against most leading currencies. Dealers said there was evidence that European banks, which had expected a greater downward movement in the U.S. exchange rate, were short of dollars and moving to cover their positions.

The D-Mark, which had closed in London at 3.023 against the dollar, finished in New York at 3.0360-90 and the yen moved from a London close of 244.1 to 244.70. Against sterling the U.S. currency strengthened slightly from its London close to finish at $1.2255.

Mr Donald Regan, the U.S. Treasury Secretary, said in Washington that he believed the dollar would fall relative to European currencies as the growth of European economies picked up.

He reaffirmed the U.S. policy to intervene in the currency market only when it thought that trading had become "disorderly" or erratic.



However, he told newsmen at the IMF-World Bank conference that it was up to them whether the present currency market fell into that category.

Officials attending the International Monetary Fund meeting in Washington said that most governments were remaining on the sidelines until a clearer trend for the dollar emerged after West Germany's heavy intervention.

The Bundesbank's action yesterday was apparently aimed at maintaining the initiative after its massive dollar sales on Friday had succeeded in toppling the dollar from highs of DM 3.17.

Herr Karl Otto Pöhl, the Bundesbank president, said it was seeking to "calm down volatility," but added that, given the vast size of the for-

Continued on Page 18

Craxi on the lira, Page 3; Wall Street Report, Page 29; Currencies, Page 39

Recycling rags to private riches in China

By Alain Cass, Asia Editor, in Chengdu, China

YANG BEIGUI, a cheerful, friendly woman, with an instinctive business flair, possesses the only private telephone in Xindu county, population 50,000.

If Deng Xiaoping, the architect of China's liberal economic policies, were to call her (Xindu 240) he would probably be talking to a woman who, at 34, is well on her way to running Sichuan province's first million-dollar business.

Forced to leave school at 10 because her family is related to a prominent Taiwanese politician, Yang personifies China's new spirit of enterprise.

Yang's story is, literally, one of rags to riches. Shortly after Peking's leadership gave the go-ahead for private enterprise four years ago, she hit upon the idea of recycling old clothes into soles for the ubiquitous Chinese cotton shoe. With a population of 100m, Sichuan province offers big potential.

She subcontracted the work out to local peasants who were under-employed because their land had been compulsorily purchased by the state to build factories.

"At first I had 15 households working for me," she said, "then 20, then 70 and now I have 198. It is spreading like an epidemic. And I can hardly handle the orders."

Like all those wishing to open up private businesses in Deng's China, Yang had to apply for a licence to the local authorities. Her first order in 1980, was for yuan 10,000 ($4,375) from a local state cotton shoe factory. Her profit: a meagre yuan 300. Last year Yang's turnover leapt to yuan 180,000. This year she is hoping to reach yuan 250,000.

"I am planning to employ more people soon. But I do not want to build a factory. Cottage industry reduces your overheads," she said.

Yang is ambitious and wants to expand as rapidly as possible, and, in time, diversify into other products. She winkled out spare warehouse space in a local machine tool factory to store her product. At present she hires trucks to move the goods, but plans to buy a small fleet of trucks and, perhaps, a car for the family.

She runs her business in her home in the back streets of Xindu, a thriving market town. In the street outside, hundreds of stalls are packed with television sets, stereo units blaring out rock music, and an abundance of food, clothes and household wares.

Yang's husband, Hu Bengbeng,

Continued on Page 18

Stora Kopparberg bids for rival Billerud paper group

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

STORA KOPPARBERG, the Swedish forest products and power group, is bidding to take over Billerud, one of its main rivals, in a deal that would make it the biggest pulp and paper producer in Sweden.

No details of the offer were disclosed yesterday, but share trading was suspended in the two companies as well as in Billerud's two main shareholders, Uddeholm, the special steels and power group, and Tresor, the investment company dominated by Mr Anders Wall, the leading Swedish financier.

Uddeholm has a holding of 49.4 per cent in Billerud, while Tresor holds a further 6.2 per cent as well as 40.4 per cent of the votes in Uddeholm.

A statement on the deal is expected today after the close of trading on the Stockholm Stock Exchange.

Billerud's current market value is around SKr 2.8bn ($322m), which puts a valuation of about SKr 1.55bn on the 56 per cent of the equity held by Uddeholm and Tresor. If the deal goes through it will be one of the biggest company takeovers yet in the Swedish pulp and paper industry.

Stora Kopparberg, which claims to be the world's oldest joint-stock company, is the second largest pulp and paper producer in Sweden, with sales last year of SKr 5.7bn and a workforce of 9,400.

It was recently the subject of a long power struggle between Volvo, the motor manufacturer, and the Wallenberg interests, which have traditionally held control. Investor and Providentia, the Wallenberg investment companies, paid SKr 2.1bn to buy back a 25 per cent stake held by Volvo.

They already held an additional 25 per cent of the votes in Stora Kopparberg and during negotiations with Volvo rejected an offer to sell the company to it.

Billerud is the fifth largest forest products group in Sweden with sales last year of SKr 4.7bn and a workforce of 8,134. It recently reported a jump of 52 per cent in profits in the first seven months of the year.

It gained 60 per cent of its sales from pulp and paper in Sweden, 14 per cent from forestry and timber and 9 per cent from packagings. The rest came from chemicals, electric power and pulp production from eucalyptus forests in Portugal.

There are few overlaps in the companies' paper and board production, with Stora Kopparberg specialising in newsprint and fine paper, while Billerud's operations are chiefly in sack paper, corrugated board and liquid packaging and folding box board.

Stora Kopparberg's sales come 24.2 per cent from wood products, 18.2 per cent from pulp, 35 per cent from paper, 10.5 per cent from electric power and 11.8 per cent from pulp and paper operations in Nova Scotia, Canada.

CONTENTS

Europe	2–3	Eurobonds	40
Companies	21	Euro-options	33
America	4	Financial Futures	39
Companies	19	Gold	38
Overseas	7	Int. Capital Markets	40
Companies	20	Letters	17
World Trade	8	Lex	18
Britain	11, 13	Lombard	17
Companies	22–25	Management	26
		Market Monitors	29
		Men and Matters	16
		Mining	25
		Money Markets	39
Agriculture	38	Raw materials	38
Arts – Reviews	14	Stock markets – Bourses	29, 32
– World Guide	14	– Wall Street	29–32, 40
Commodities	38	– London	29, 33–35
Crossword	38	Technology	9
Currencies	39	Unit Trusts	36–37
Editorial comment	16	Weather	18

West Germany: the Greens grow rich 2
Central America: faint dawn of Contadora peace 4
Soviet Union: world's longest canal nears completion ... 7
Editorial Comment: Lebanon; UK property tax 16
Uganda: a tale of recovery and brutality 16
U.S.: illegal immigrants battle the Rio Grande 17
Britain: a new chairman for the employment service .. 17
Lex: Fidelity; Enterprise Oil; buyouts; Lonhro 18
Italy: what now for Pesenti's industrial empire? 21
Management: bank switch can be good for you 26

Japanese cars make hefty inroads into West German market

BY JOHN DAVIES IN FRANKFURT

JAPANESE carmakers have achieved a hefty sales increase in West Germany this year, although their market share, which was boosted by the recent labour conflict, has begun to taper off.

The West German vehicle industry has been keeping a close eye on the trend but generally sees no reason for concern.

New car registrations in the first eight months include nearly 209,700 Japanese vehicles, 18 per cent more than in the same period last year. This increase contrasts with a continued setback in the market as a whole, which has been disrupted by the virtual shutdown of motor vehicle assembly for seven weeks during the metal-workers' strike in May and June.

Registrations plummeted in June but have since recovered as car plants have got back into full swing. Even so, they are still 2.9 per cent down on a year ago at 1.67m since the beginning of the year.

The Japanese have gained 12.5 per cent of the market so far this year. They took a sizeable 16.9 per cent of the shrunken strike-hit market in June and although their share has dwindled since, they still had 14.5 per cent last month.

However, the West German Automobile Industry Association said yesterday there was no question of the Japanese infringing any understanding about the level of their exports.

Japanese car sales in West Germany rose dramatically in 1980 to nearly 252,000 or 10.4 per cent of the market. Their performance waned during the next two years, but bounced back last year with sales of 256,000, 10.6 per cent of the market.

Cars assembled abroad, including West German vehicles made in Spain, took a total of 33.5 per cent of the domestic market last month, and have gained a 30.9 per cent share in the first eight months.

In the whole of last year foreign cars supplied 27.2 per cent of the market and the West German industry is confident the foreign market share will again fall below 30 per cent this year.

The French, the second biggest foreign supplier after Japan, have increased sales this year by 2 per cent to 131,700 to take 7.9 per cent of the market. Italian manufacturers have boosted sales by 8.5 per cent to 88,200, to take 5.3 per cent of the West German market.

James Buchan in Bonn explains the political problems caused by an embarrassment of riches

Green eyes on West German party's funds

ON THE top floor of the Greens' party headquarters in Bonn is a locked room. Party officials approach on tip-toe, partly because there is no carpet on the landing, and partly out of respect for the wonder the room contains.

The Greens, long castigated as hostile to technology, have bought a computer: two terminals, with printers, screens and cases full of soft-ware, a bargain at DM 90,000 (£23,560). One of the terminals will be at the disposal of the publicity department and the other is intended to help bring order to the financing of a party which the West German state has blessed with no less than DM 30m in the past 18 months.

Herr Hermann Schulz, a philosopher and publisher and treasurer of the Greens since 1981, ought to be overjoyed. The federal party has no debts to speak of and he has persuaded it to put aside DM 6m in orphans-and-widows investments to tide it over till the Bundestag elections in 1987.

In contrast, the four "established" political parties have been chronically short of funds since the 1950s.

But Herr Schulz is not happy at all. The DM 30m was paid out by the state to cover "campaign costs" on the basis of votes gained in the 1983 Bundestag election and the European election last June. It is mostly pure profit, "a hall of a lot of money with which all manner of nonsense can be done," he says.

For the entire West German "alternative" scene, from self-help organisations, communes, collectives, and cultural centres to kindergartens and newspapers, which has existed precariously since the student revolt in the late 1960s is homing in on the Greens' windfall.

Already the party in Hesse has bullied the Social Democrat Government of the state—which depends on the Greens for support to set aside DM 7m in the 1984 state budget for collectives and other refuges from the social market economy. Herr Schulz has it worse. "I get laundry baskets of requests for cash every day. How do I know who these people are?"

Just as bad, he fears that the party's 30,000 members may be getting used to this "financial benediction" from the taxpayer and losing some of the vigour of the pioneering days from 1979 to 1983.

The miracle machine in the party HQ is one more piece of evidence that the Greens, a peculiar alliance of the post-1968 New Left and the post-1973 ecology movement, have established themselves in German political life.

By next June they are likely to be represented in eight or nine of the 11 state assemblies and be well-placed to slip into the next Bundestag.

This will mean yet more money for the unfortunate Herr Schulz, who is at present livid with a group of Hamburg comrades who bespoke DM 300,000 from his buffer fund for purposes of "international solidarity" even before the party congress agreed that such payments should be made.

"Really, no way to behave with money," he says. He favours a cautious investment policy—"7-8 per cent return"—but even here there were problems when pacifist party members complained that the Green's house bank, the *Bank fuer Gemeinwirtschaft*, was involved in financing warship construction.

The most ambitious alternative project, the Berlin national daily newspaper the *tageszeitung* (taz) applied to the Greens for a six-figure sum and then had cold feet about its editorial freedom. It is now seeking to prop up its rickety finances by offering revolutionary businessmen a handy tax-loss with this hopeful piece of advertising copy: "Tonio M. belongs outwardly to the establishment, but deep inside he feels himself an enemy of the state . . . As soon as he finds out he can cheat the state of taxes and support a sympathetic project he hesitates no longer . . . with an investment of DM 5,000 . . ."

Another Green dilemma springs from the question of whether or not to start a party foundation. Herr Otto Schily, who was defence counsel for Gudrun Ensslin, the Baader Meinhof terrorist, and is now a Green MP, is seeking an injunction from the Constitutional Court against state subsidies for the established party foundations on the grounds that they are being used for "indirect party financing."

The Greens could reasonably expect more than DM 50m from the state if they started a foundation, but some people fear that the Greens are being smothered with money at a time when their first parliamentary deputies are showing alarming signs of enjoying parliamentary democracy and being quite good at it.

After the computer, the argument goes, come the Mercedes and the private aircraft;

EVIDENCE THAT the Greens have established themselves in West German political life has been accepted by the other four parties, and has in some cases created substantial concern.

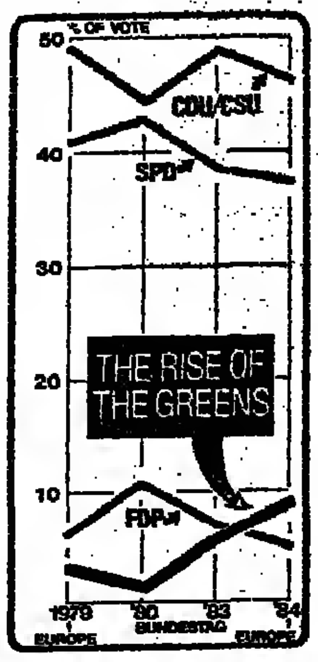
At town hall elections next weekend in the largest federal state of North Rhine-Westphalia, the Greens expect to gain at least 6 per cent of the vote and to hold the balance of power in town councils such as Cologne or Dusseldorf. It is a racing certainty that they will poll only marginally worse in state elections due next May and a Social Democrat (SPD) Government will probably depend on Green support.

A study done for the ruling Christian Democrats (CDU) shows that half of the 1984 Green voters had voted Green before, a sign of party loyalty. Recognising that the Greens have "stabilised," the CDU last week launched a furious campaign, describing the newcomers as Marxist and anti-democratic. The CDU is unlikely to gain votes from the Greens but wants to embarrass the SPD by painting appalling pictures of the danger of SPD-Green alliances.

The SPD has also been doing its sums and come up with the alarming finding that while a third of its voters approve of a Green alliance, a full half do not like the Greens at all and 43 per cent think the CDU is the "second-best" party.

The SPD is thus in a dilemma: if it shifts to mop up Green voters it will lose working-class votes from the middle but if it enters "grand coalitions with the CDU it will lose its Left wing votes.

The Free Democrats (FDP) formerly Government coalition partners with the SDP, who have slipped behind the Greens in the federal stakes, are so alarmed that politicians in North Rhine-Westphalia have started suggesting that the Greens' ideas have a fascist tinge.



Coalition calls for global ban on chemical arms

BONN—The West German centre-right coalition yesterday presented a resolution to Parliament calling for a global, verifiable ban on chemical weapons, Reuter reports.

"Neither West nor East needs a chemical deterrent in addition to the nuclear deterrent. Therefore, no effort must be spared to abolish chemical weapons worldwide," it said.

At a news conference in West Germany at the weekend, Nato's supreme commander, General Bernard Rogers, called for new chemical weapons to match Warsaw Pact equipment and as a hargaining point in negotiations with the Soviet bloc.

Leslie Colitt writes from Berlin: The possibility of a European zone free of chemical weapons was discussed during the two days of talks in Bonn between the West German Social Democrat Party (SPD) and Herr Harmann Axen, East Germany's politburo Secretary for International Affairs. He was the highest ranking East German official to visit West Germany since the cancellation of the President Erich Honecker's trip eariler this month.

The discussions on chemical weapons were criticised by the ruling Christian Democrats as undermining the West's goal of achieving agreement on a world-wide han.

Herr Hans-Jochen Vogel, the SPD's perliamentary leader, also had talks in East Berlin over the weekend with Herr Herbert Haeber, the politburo member responsible for relations with West Germany. They discussed arms limitation measures, according to the East German news agency, and the need to "further develop" East-West relations.

East German moves to foster contacts with the SPD come with the full blessing of the Soviet leadership.

Fate of Swiss nuclear project still in doubt

By John Wicks in Zurich

CONTROVERSY continues to surround the building of the Kaiseraugst nuclear power station in Switzerland, in spite of the defeat in a referendum last weekend of two anti-nuclear proposals.

Dr Leon Schlumpf, the Federal President and Energy Minister, said the outcome of the vote is not a "green light" for the 925 MW station planned for Kaiseraugst, only a few miles from Basle.

Although well over half the voters rejected the two proposals, either of which would have made the building of the Kaiseraugst impossible, the referendum showed growing opposition to the project, in Basle-City and Rural Basle, as well as in almost all non-German-speaking cantons. This regional imbalance is likely to make the Government very cautious in the expansion of nuclear energy in the country.

Leaders of both the Basle local governments have claimed that the vote in their areas is a clear rejection of Kaiseraugst. At the same time, the biggest vote against the two proposals was recorded in Canton Aargau, the site of three of Switzerland'a existing nuclear power stations—and also of the village of Kaiseraugst itself.

The two other "nuclear" cantons of Solothurn and Berne also turned down the proposals.

The Kaiseraugst project still has to he approved in principle by a Lower House of Parliament committee, the chairman of which Dr Georg Stucky, has indicated that any expansion of nuclear power will have to be carried out "cautiously."

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Lisbon coalition party asserts independence

By Our Lisbon Correspondent

LEADERS OF Portugal's Social Democrat Party, anxious not to be overshadowed by their Socialist coalition partners, have called for top level talks on revising the government alliance.

The Social Democrats moved to assert their independence at a meeting of their national council over the weekend during which they also made clear that they would field their own contender in next year's presidential election and would not support the expected candidacy of Sr Mario Soares, the Socialist leader and Prime Minister.

The decisions are symptomatic of efforts by Sr Carlos Mota Pinto, the Social Democrat leader and Deputy Premier, to assert himself as a strong leader. He is under pressure from within his divided party not to let the Socialists to dominate government initiatives.

In discussions on revising the coalition, the Social Democrats are expected to press their partners for fast and effective action on streamlining the heavily-indebted public sector, allowing more help for private enterprise and reforming strongly pro-worker labour legislation.

● Bombs exploded outside the homes of three landowners in the town of Monetemor-o-novo in the Alentejo land reform zone yesterday injuring three people and causing substantial damage. The Forcas Populares, 25 de Abril, a left-wing urban guerrilla group, claimed responsibility for the blasts which it said were in retaliation for the take-over of land previously owned by rural workers.

EUROPEAN NEWS

Craxi adds his weight to heavy lira idea

By James Buxton in Rome

SIG BETTINO CRAXI, Italy's Prime Minister, is heeling to introduce next year "heavy lira" which would equal 1,000 of the present much devalued currency units.

In a weekend speech he put his own weight behind the call—widely discussed in the Press in recent weeks— to knock three noughts off the unwieldy way in which monetary values are expressed in Italy.

The Prime Minister sees the introduction of the heavy lira as consolidating the recent sharp reduction in the inflation rate, which is poised to go below an annual rate of 10 per cent after about a decade in double digits.

Recent rapid inflation has further eroded the real value of a currency whose basic unit has been none too substantial since the Second World War. One million lire is worth only £425; other countries' equivalent of a millionaire is a billionaire in Italy; and such vital items as the trade deficit or government spending is reckoned in units of one thousand billion lire.

Even so, the idea of introducing a heavy lira—which would make the currency unit one of the biggest instead of one of the smallest in the world, equal to about $1.9 or £2.3 on present values—is not universally favoured. Nor is there any official plan for making the change. The idea is simply "under consideration," according to the Prime Minister's Office.

It is reckoned that it would take about two years to make the change, taking into account the need for obtaining parliamentary approval, printing the notes, and explaining the change.

While no one doubts that a heavy lire would be much more handy, especially as the digits now tend to overflow the display of a pocket calculator, others question whether the moment is right for the change.

Inflation might easily go up again, and the change could drive it up, as shopkeepers round up prices. The unhappy history of the Israeli shekel, introduced to replace the exhausted Israeli pound and continuously devalued ever since, is noted in Italy.

Other critics say attention would be directed from more worthy objectives, such as cutting the heavy government overspending which is thought to be at the root of inflation.

There could even be resistance in poorer parts of the country where L1m is still regarded as an amount of money to respect—even if it is about the average worker's monthly pay.

Malta's seizure of church land unlawful

Legislation empowering Premier Dom Mintoff's Government to seize buildings and land owned by the island's Roman Catholic Church was declared unconstitutional by the Maltese courts yesterday, Godfrey Grima reports from Malta.

Mr Justice Stephen Borg Cardona ruled that the Devolution of Church Property Act, passed last year, violates the church's constitutional rights of conscience and worship, protection from discrimination and right of compensation. Legal notices forcing the church to register its properties with the state were also annuled.

Greek Cypriots blame Denktash for deadlock

BY ANDRIANA IERODIACONOU IN ATHENS

GREEK CYPRIOT officials yesterday accused Mr Rauf Denktash, the Turkish Cypriot leader, of creating a deadlock in the United Nations peace initiative for Cyprus. They warned that a breakthrough will only be possible if the Turkish Cypriots moderate their negotiating positions on the withdrawal of Turkish troops from the island, and the sharing of territory and constitutional power.

Mr Denktash described the proposals submitted in the first round of negotiations which ended inconclusively in New York last Friday, as "negotiating positions," implying that they are designed to kick off bargaining and may change. Both sides have agreed to return for a second round on October 15. Ideally, these should lead to a meeting between Mr Denktash and President Spyros Kyprianou of Cyprus to endorse a draft agreement.

The Turkish Cypriots have reportedly proposed handing back about 3 per cent of territory, allowing the return of about 30,000 out of a total of 170,000 refugees. The Turkish Cypriots say that tactical difficulties must be taken into account in deciding to allow the right of free movement, settlement and property ownership.

On executive and legislative power, Mr Denktash is said to have proposed an alternating Greek Cypriot and Turkish Cypriot presidency, and a two-chamber House, with 50-50 representation in the Upper House and 70-30 in the Lower for the 80 per cent Greek Cypriot majority and the 18 per cent Turkish Cypriot minority respectively. All legislation must be approved by the Upper House.

The Turkish Cypriots have also reportedly demanded equal say in security decision-making by means of separate majorities in the House, as well as control of either the Defence or the Foreign Ministry.

According to the Greek Cypriots, the Turkish Cypriot proposals so far are as follows: on Turkish troop withdrawal, Mr Denktash is said to have proposed that the pull-out begin once a federal Cyprus state has been established, without a specific deadline for complete withdrawal. Turkey must be a guarantor of a Cyprus settlement.

The Greek Cypriots want full troop withdrawal, immediately upon reaching a settlement.

On territory, Mr Denktash is said to have rejected a proposal by Sr Javier Perez de Cuellar, the UN Secretary General, that the proportion of Cyprus territory currently occupied by Turkish troops to be returned to Greek Cypriot administration should be determined according to the number of Greek Cypriot refugees allowed to return to their homes.

Margaret van Hattem adds: Mrs Margaret Thatcher, Britain's Prime Minister, yesterday assured President Kyprianou of her support for Sr Perez de Cuellar's initiative. She also reaffirmed Britain's support for the goal of a unitary Cypriot state.

Nato 'facing a painful debate with Denmark'

COPENHAGEN – A U.S. expert on East-West relations was quoted yesterday as saying that Denmark had become so weak a link in Nato's defence system that the alliance would be better off if the Danes became neutral.

Mr Edward Luttwak, a member of the Georgetown University Centre for Strategic Studies, told a Danish newsletter that Nato was facing a "profound restructuring" and "painful debate," with Denmark and Greece coming in for particular scrutiny.

"The Danes should know that Denmark will be thrown out of Nato if it continues to refuse to pay the bill," he was quoted as telling Politisk Ugebrev, a weekly newsletter.

"Today Denmark is the weakest link in the Atlantic alliance. A neutral Denmark outside Nato is better than a weak Denmark in Nato."

He was described as an adviser to the U.S. Departments of Defence and State and the key U.S. National Security Council. A spokesman at the U.S. embassy in Copenhagen said Mr Luttwak was not on the payroll of the National Security Council and that his comments did not necessarily represent official U.S. views. AP

Giscard returns to National Assembly with large majority

BY DAVID HOUSEGO IN PARIS

FORMER FRENCH President Valery Giscard d'Estaing scored a personal triumph at the weekend by winning back his seat in the National Assembly by a large majority.

Electors in the Puy de Dome constituency gave him 63.24 per cent of the votes cast in Sunday's by-election. It is the highest support he has obtained in the constituency which he represented for 16 years before resigning to become President in 1974.

The two thirds majority also coincides with the title of the book "Two Frenchmen out of Three" which he brought out earlier this year and which reflects the support he hopes to obtain for his project of a new liberal society.

His return to the National Assembly gives M Giscard d'Estaing a platform from which to launch his candidacy for the Presidency in 1988. At the moment he trails both M Raymond Barre, his former Prime Minister, and M Jacques Chirac, the Mayor of Paris, in the opinion polls.

While publicly acclaimed as demonstrating the opposition's strength in the country, Giscard's victory has caused misgivings within the opposition as being a source of further friction in the battle for the leadership.

The former President's first task in the Assembly will be to try and win back the bulk of centrist UDF deputies who have switched their allegiance to M Barre.

Parliamentarians from the UDF will be addressed by M Barre tomorrow when they gather in Cannes for their annual rally before the opening of the winter session of the National Assembly.

Giscard has said that he will not attend the meeting – although his victory might prompt a change of mind.

Popular disenchantment with the left was shown in the high abstention rate in Sunday's poll. The 45 per cent of the constituency which did not vote was concentrated in the normally pro-Socialist and pro-Communist wards.

New medal for Chernenko to mark authority

By David Buchan

PRESIDENT Konstantin Chernenko has been awarded his fourth Order of Lenin and his second "Hammer and Sickle" medal, to mark his 73rd birthday yesterday and to underscore his political authority.

In publicising the awards, however, the Soviet media pointedly did not mention his age or the occasion of his birthday. In his three public appearances this month, following a six-week summer absence from the public eye, Mr Chernenko has seemed frail.

Never a smooth public speaker, he recorded a three-minute television address last Friday on Finnish-Soviet relations which appeared to have been cut in nine places, indicating difficulty in getting a presentable recording of the Soviet leader.

Soviet leaders accumulate a large number of state honours, with the exception of the late Mr Andropov, who self-consciously eschewed them. Such awards generally come on landmark birthdays. Mr Chernenko got his three previous Orders of Lenin on his 60th, 65th and 70th birthdays.

France's extradition of Basque militants welcomed in Madrid

BY DAVID WHITE IN MADRID

THE FRENCH Government's controversial change of policy in ordering the extradition to Spain of three Basque extremists wanted for terrorist killings was greeted in Madrid yesterday as a diplomatic breakthrough for the administration of Sr Felipe Gonzalez.

Sr Gonzalez: a diplomatic hreaktbrongh

Triumph over the extradition—the first France has granted since Eta began its arms campaign 25 years ago—was however tempered by concern about the reaction in the Basque region.

In San Sebastian and other centres of radical Basque nationalism, protesters blocked streets, broke bank windows and set fire to buses on Sunday night. Security forces were placed on alert, while the Paris authoritiea were asking for extra precautions to safeguard Freocb interests in Spain.

The extradition decision was not widely expected, most Spanish newspapers baving predicted that Paris would not go further than its previous gesture of arranging deportations to "third" countries. This was the formula chosen for the other four of the seven accused Eta members who bave been on hunger strike in Fresnes Prison—the bost country this time being Togo.

Major Spanisb parties from the Communists to the conservative Popular Alliance opposition all welcomed the move, but Basque parties, with equal unanimity, criticised it as a potential source of fresh tension. Eta's political front, Herri Batasuna, said it was "an historic blunder."

The Socialist Government sees the decision as a crucial psychological aod operational setback for Eta, wbich has always relied on being able to use France as a place to escape to, rest up, launder extortion money or procure arms.

Sr Gonzalez's campaign to remove this sanctuary is considered in Madrid to bave been eased by the recent replacemeot of M Gaston Defferre by M Pierre Joxe at the French Interior Ministry.

The existence of secret negotiations between Madrid and Paris, before Sunday's announcement, on the conditions under which the accused men might be tried, throws fresh light on the timing of the Spanish Government's surprise offer last month of ceasefire talks with the Eta leadership.

● A fragile calm reigned in the Freoch Basque country yesterday after Sunday's announcement of the extradition.

The extraditions mark a change in policy by the French Government. It now feels that on the eve of Spain's entry into the EEC, it can no longer protect Basque separatists from the reach of Spanish law.

The decision to extradite three separatists and to expel four more to Togo has yet to be confirmed by the judicial authority, the Conseil d'Etat. In part this explains the absence of any violent reaction in the region yesterday. But the Government still fears that an explosion could materialise.

President Mitterrand is due to visit the French Basque country in three week's time.

Moscow pledge on spread of N-weapons

By David Fishlock, Science Editor in Vienna

THE SOVIET UNION pledged itself to work against the spread of nuclear weapons in any form, including extension of the arms race to space, when it addressed the general conference of the International Atomic Energy Agency, here yesterday.

Mr A. M. Petrosyants, chairman of the State Committee on the use of nuclear energy, said an obligation by all nuclear powers on no-first-use "would mean a huge step forward" in restoring confidence among nations.

Last week, Moscow confirmed a two-year-old commitment to permit the Agency's nuclear safeguards inspectors into its nuclear facilities, although final agreement with it is not expected before next summer.

Dr Hans Blix, director-general of the agency, in his opening address, said that it was lamentable that "legitimate concern has sometimes been replaced by politically or emotionally motivated obstructionism, directed against any activity relating to the nuclear fuel cycle, including steps to find suitable repositories for nuclear wastes."

But he remained optimistic that the environmental advantages of nuclear power would eventually be generally accepted.

Dr Blix spelled out three factors which he believed could help progress. One was more progress towards nuclear disarmament, which he said would "increase support and understanding among non-nuclear-weapon states."

Another was an increased awareness that "frustrating and frightening" as current failure to get agreement on disarmament might be, it was no reason to relax efforts to prevent any further spread of nuclear weapons.

His third factor was that there were sound economic reasons for international co-operation in nuclear fuel enrichment and reprocessing, and in nuclear waste disposal.

Danish party leader calls for defence consensus

BY HILARY BARNES IN COPENHAGEN

THE NEWLY-ELECTED leader of Denmark's Liberal Party, Foreign Minister Uffe Ellemann-Jensen, called for the restoration of a consensus on foreign and defence policy. He was elected chairman of Liberals at the weekend, succeeding Mr Henning Christophersen, who is Denmark's commissioner-designate to the EEC.

"We are approaching a crossroads, which touches on Denmark's Nato membership itself. Let us all think carefully about this," he said.

The remark was addressed to the opposition Social Democratic Party, which at its congress last week voted to keep Denmark free of nuclear weapons even in times of conflict.

The Social Democrats command a majority in the Folketing on defence and foreign policy issues against the minority non-socialist coalition Government.

If the nuclear-free call were to become official Danish policy, it could imply withdrawal of Denmark from Nato's integrated defence system.

But it is expected that the Social Democrats will forward a resolution in the Folketing this winter sufficiently vaguely worded to avoid a direct clash with either the Government or Nato.

● The Danish trade deficit deteriorated again in August, according to provisional figures published by the Bureau of Statistics, which said the deficit increased to Kr 400m (£28.7m) from Kr 273m in August last year. This brings the deficit for the year so far to Kr 5.7bn from Kr 2.1bn in 1983.

● The West German Embassy was smeared with paint and windows were broken early yesterday by demonstrators against a two-day visit to Denmark by West German Chancellor Helmut Kohl.

Canada-U.S. meeting indicates stronger ties

By Bernard Simon in Toronto

CANADA'S new prime minister, Mr Brian Mulroney, will meet President Ronald Reagan in Washington today, signalling a likely marked improvement in U.S.-Canada relations.

The meeting, to be held just a week after Canada's Progressive Conservative Government took office, is expected to cover a broad range of political, military and trade issues, and reflects Mr Mulroney's pledge during the recent election campaign to rebuild Canada's relations with the U.S.

Ties between the two countries have been strained in recent years by the former Liberal government's nationalistic policies towards foreign investors, especially U.S. oil companies, and by its lukewarm attitude to U.S. defence policies. Mr Pierre Trudeau's much-publicised world peace initiatives were also an irritant

The U.S. accounts for more than 70 per cent of Canada's foreign trade and the bulk of foreign investment in Canada. Mr Mulroney proposed during the election campaign that a permanent secretariat be set up by each country to examine the impact of new trade and environment policies on the other before changes are made.

He also pledged to increase defence spending as part of an effort to emphasise Canada's commitment to Nato. The new Government is likely to be less critical than its liberal predecessors on U.S. policies in Latin America. Mr Mulroney has said that Canada should give its allies, and the U.S. in particular, "the benefit of the doubt."

Meanwhile, the Government has announced that Parliament will reconvene in Ottawa on November 5. The new Government will outline its economic strategy in a mini-budget.

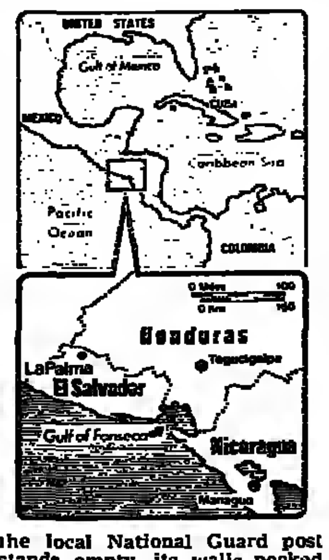
The Conservatives have already begun to put their stamp on the Government. The name of a Liberal nominee as Canada's executive director at the World Bank has been withdrawn. Mr Maurice Strong, the first director of the united environment programme, has submitted his resignation as chairman of the Canadian Development Investment Corporation, which controls the troubled aircraft manufacturers De Havilland and Canadair.

Business as usual in a guerrilla stronghold

BY DAVID GARDNER IN SAN SALVADOR

THERE ARE cornflakes and Lea and Perrin's sauce in the local shops, petrol in the pumps, and the largest of the 43 handicraft co-operatives in the town of La Palma, high up in the hills overlooking Honduras exports its products to West Germany.

La Palma is held by the Popular Liberation Forces (FPL), one of El Salvador's two largest guerrilla groups, but there was no sign of any army presence last week beyond the Lempa River, which bisects the country. An FPL patrol, some six miles past the river, explained that the enemy had not presented itself for battle.



The guerrillas in La Palma keep a low profile. They have held this town of 12,000 people for more than a year, but it is run by a Christian Democrat mayor from President José Napoleón Duarte's party. The FPL provides a rudimentary policing and disputes procedure; the local National Guard post stands empty, its walls pocked with bullet marks.

The guerrillas have interfered little with the town's life. A neighbouring technical college still functions, the church and two evangelical chapels get a regular attendance, and the artisans' co-operatives provide employment for most of the inhabitants.

Perhaps the main disruption has been the increase in the flow of heavy goods traffic from Honduras which is gradually destroying the area's roads. This increase has been caused by arson attacks on trucks using El Salvador's other roads carried out by the FDL's rival, the Popular Revolutionary Army (ERP).

Sr Israel Ochoa, who heads the Semilla de Dios (Seed of God) Co-op, has few complaints. The guerrilla presence has meant a drop in sales to tourists to the area, but the slack has been taken up by a greater export effort, particularly to Costa Rica, Honduras and West Germany.

With a five-year tax holiday from the Government, and no attempt by the guerrillas to levy taxes in its place, Sr Ochoa's workshop is providing a living for 48 people. It has just despatched a shipment to the capital, and the prospects for Christmas look good.

His chief concerns are the sporadic power cuts caused by the guerrillas blowing up electricity pylons supplying the area. But the town has been little affected recently, reinforcing the impression of normality in the area, and the sense of a war in abeyance as the dry season approaches bringing the likelihood of renewed fighting.

Julio, the leader of the ten-man FDL unit outside La Palma, refuses to be drawn on whether the insurgents are planning a major autumn offensive as the U.S. and the Duarte Government have claimed. "We are preparing," he smiled.

Hugh O'Shaughnessy reports on a breakthrough in Central America

Faint dawn of Contadora peace

EEC and Central American officials, who have laboured for months on the arrangements for this week's Foreign Ministers' meeting in San José, Costa Rica cannot have but been cheered by the weekend's news from Nicaragua and El Salvador.

Both countries have agreed to support a major new peace initiative for the region and the controversial Nicaraguan election in November looks likely to be a much more open and genuine contest than some had feared. A further boost has since been provided by the acceptance of the peace plan by Honduras and Costa Rica.

The ministers are to meet in San José on Friday and Saturday, with the 10 Community Ministers joined by their counterparts from Spain and Portugal. The Latin American representatives will come from Guatemala, Honduras, El Salvador and Nicaragua and from the four countries of the Contadora Group (Mexico, Panama, Colombia and Venezuela). Their host will be the smiling, rotund figure of Sr Luis Alberto Monge, the social democratic president of Costa Rica.

Until last week it seemed that the gathering might have been teetering on the edge of failure. The idea to hold it, which the West Germans named the "Genscher initiative" after their Foreign Minister but which the Costa Ricans were keen to attribute to the efforts of their President, was supposed to demonstrate European concern for an involvement in the Central American crisis.

The European Community, bound by ties of history and treaties on trade and preferences to former colonies in Africa, the Caribbean and the Pacific, has for long had a bad conscience about the developing countries of Latin America. The San José meeting was in part designed to show that Europe had not turned its back on the area.

The 21 were due to pass resounding motions of support for the efforts of the Contadora Group to achieve peace and stability in a region in which hundreds of thousands have been killed and millions made homeless in civil wars and cross-border fighting.

They were to announce the establishment of a permanent office in Central America and underline the commitment to closer political links exemplified by the recent grant of Ecu 550,000 (£328,000) to the newly organised Institute for European-Latin American Relations.

There was a danger, however, that the meeting could break up in some disappointment, with Central American hopes for large new dollops of Community aid unfulfilled and European disillusion at the difficulties of dealing with rancorous, often mutually hostile, Central Americans. EEC aid to Central America is currently £23.5m.

These dangers still exist, but the atmosphere has been sweetened by the weekend's announcements. After months of bickering and manoeuvring, the two most embattled Central American states have come round to accepting plans for peace and disengagement laboriously worked out by the Contadora Group.

Nicaragua announced it was ready to sign the group's protocols immediately, and a few hours later, President José Napoleón Duarte of El Salvador agreed to do the same. The Contadora plans include a call for the removal of foreign troops from the isthmus, a key element in any relaxation of tension.

The removal of U.S. troops from El Salvador and Honduras would go far to ending the activities of the "Contras," the anti-government guerrillas who are fighting the Nicaraguan Government. The departure of Cuban and Eastern European soldiers from Nicaragua would help to calm the U.S. State Department and the Pentagon.

A further development could be another contraction in the aid the Nicaraguans offer to the Salvadorean FMLN guerrillas, who are seeking to topple the Government of President Duarte.

The decision by the ruling Left-wing Sandinista junta in Nicaragua to extend the deadline for the registration of parties to contest the general elections on November 2 is another conciliatory straw in the wind. The decision will blunt some criticism from the U.S. of the way the elections were to be conducted, and calm growing European fears that a Leninist view of politics was gaining too much currency in Managua.

The immediate Washington reaction to the Nicaraguan decision was sceptical and hostile, but later, Mr George Shultz, the U.S. Secretary of State, welcomed the news.

As a result, and not without a good deal of arm twisting by the bigger European powers, it seems that the meeting in San José could coincide with the beginning of a Central American settlement. Mr Peter Barry, the Irish president of the European Foreign Ministers, Herr Genscher and Sr Fernando Moran, the Spanish Foreign Minister will be profoundly relieved.

Annual Meeting

Curtain up on the show that's already over

By Max Wilkinson in Washington

THE IMF conference is, by common consent, actually over before it begins. One might not have thought so at the formal opening yesterday where packed crowds discreetly pushed and shoved their way towards the overloaded elevators.

But the fact is, the real business, such as it was, took place in other parts of town last week.

Even in the smaller meetings of the policy making interim committee the Group of Ten industrial countries and the Third World's Group of 24 many of the speeches are long and in the words of one seasoned official "unrefreshingly wide-ranging."

So the men (no women) who really call the shots retreat even further into the group of five, with as one European central banker helpfully explained "actually does not exist."

...What did exist was a series of dinner parties and meetings for central bankers and finance ministers of the major countries with huddles of attendant officials over portable filing systems in hotel bedrooms.

Inevitably one of the most sharply debated questions was partly procedural. This revolved on the exact place and time of a new conference for rich and poor nations to discuss debt problems and of the vital question of who should claim credit for it.

For a moment, observers believed this could be a major score for Britain, when Chancellor Lawson ticked off the idea into a G10 meeting with a full team of Commonwealth ministers behind him.

But the U.S. Treasury team picked up the ball as soon as it was in play with practised ability, called a Press conference in another part of town and smoothly announced the Regan initiative on world debt.

In the sidelines there was one sobering sight at the endless round of parties. The several hundred guests who turned up for the annual beano thrown by Continental Illinois, the bank which stays afloat only because of the generosity of its friends and the help of the Fed, the first sight that met their eyes was a long table groaning with cheese rolls.

Mr Tom Clausen, president of the World Bank, might have made something of that. At a Press conference given in advance of his formal address yesterday the first question was: "Are you going to resign?"

He replied that when a man went to dinner, he didn't walk out half way through and said: "I am going to stay for my just dessert."

Sources close to the IMF suggest the quip may not have been entirely spontaneous since it is normal practice for replies to be drafted to all expected questions.

Call for halt to protectionism

WASHINGTON – A joint committee of the International Monetary Fund and the World Bank has called for measures to stop the spread of trade protectionism.

A communiqué issued after Sunday's meetings of the development committee said the two groups "encouraged the immediate adoption of measures to combat protectionism."

The committee includes Third World countries and the wealthy industrial nations and has become a forum in which the two sides can discuss their differences.

U.S. officials have said the huge U.S. trade deficit, amounting to an estimated $110bn this year, shows that the U.S. is willing to remain a huge market for imported goods, helping Third World countries.

Representatives from poor countries have complained that the industrial states have increasingly resisted imports, worsening the Third World debt crisis.

The committee also discussed the role of the IMF and the World Bank in dealing with debt in the developing countries, high interest rates, fluctuations in exchange rates and increased protectionism.

World Bank leader presses U.S. for more active support

BY STEWART FLEMING IN WASHINGTON

A PLEA for a wide-ranging role for the World Bank in providing funds to the developing world and disappointment at the failure of the U.S. to provide more vigorous support for the bank has been expressed by the bank's president Mr A.W. Clausen.

In his address to the annual meeting of the World Bank and the IMF yesterday – the first in which he has spoken in detail about the future role of the bank – Mr Clausen made it clear he believed the bank must continue to provide funds to both the heavily indebted developing countries and to the poor but financially more stable nations of China and India.

His remarks follow a decision by the bank fund development committee late on Sunday to further underwrite the bank's continuing role in providing finance to the poorest developing countries.

The committee strongly endorsed the recommendations in the bank's report on sub-Saharan Africa and called on the bank to open discussions with donor countries about the prospects of raising additional finance for the region which might be earmarked for a special sub-Saharan Africa fund.

The question of the future role of the World Bank and of Mr Clausen's future as president of the development institution are being hotly debated at this year's annual meeting. Delegates are wondering what the bank's future will be and whether Mr Clausen will continue to be the man charged with shaping the debate about the bank's role.

At a press conference to discuss his address to the annual meeting yesterday Mr Clausen said: "If the question is am I going to leave before the end of my term (in 1986), the answer to that one is clearly and loudly 'no'."

He also said, however, that he was "keenly disappointed with the fact that the economic problems and the budget problems of the U.S. prevented that great nation from being as supportive as we would have liked."

Although there had been issues on which the bank and the U.S. have disagreed, "I would say that for 95 per cent of what we are doing we are fully in accord."

In his address, however, Mr Clausen made it clear that in spite of U.S. reservations, the bank believed the flow of concessional interest free loans to both India and China needed to be maintained to keep up the current economic momentum without risking a sharp increase in debt servicing ratios.

Mexico plans to raise $1bn credit in 1985

BY PETER MONTAGNON IN WASHINGTON

MEXICO HOPES to raise slightly less than $1bn from its commercial bank creditors next year in its first return to free market borrowing since 1982, said Sr Angel Gurria, Director General of Public Credit.

In 1986 the country's borrowing need would rise to about $2bn but even this was "a relatively small amount" which should be available from the marketplace provided Mexico continued to demonstrate progress in economic adjustment, he told journalists at the International Monetary Fund annual meeting.

Mexico realised disciplined economic policy was "critical and fundamental" to a successful return to the marketplace, he said.

He added, however, that Mexico would not rush its return to the market and would not need to worry if conditions were not right to resume borrowing next year at all.

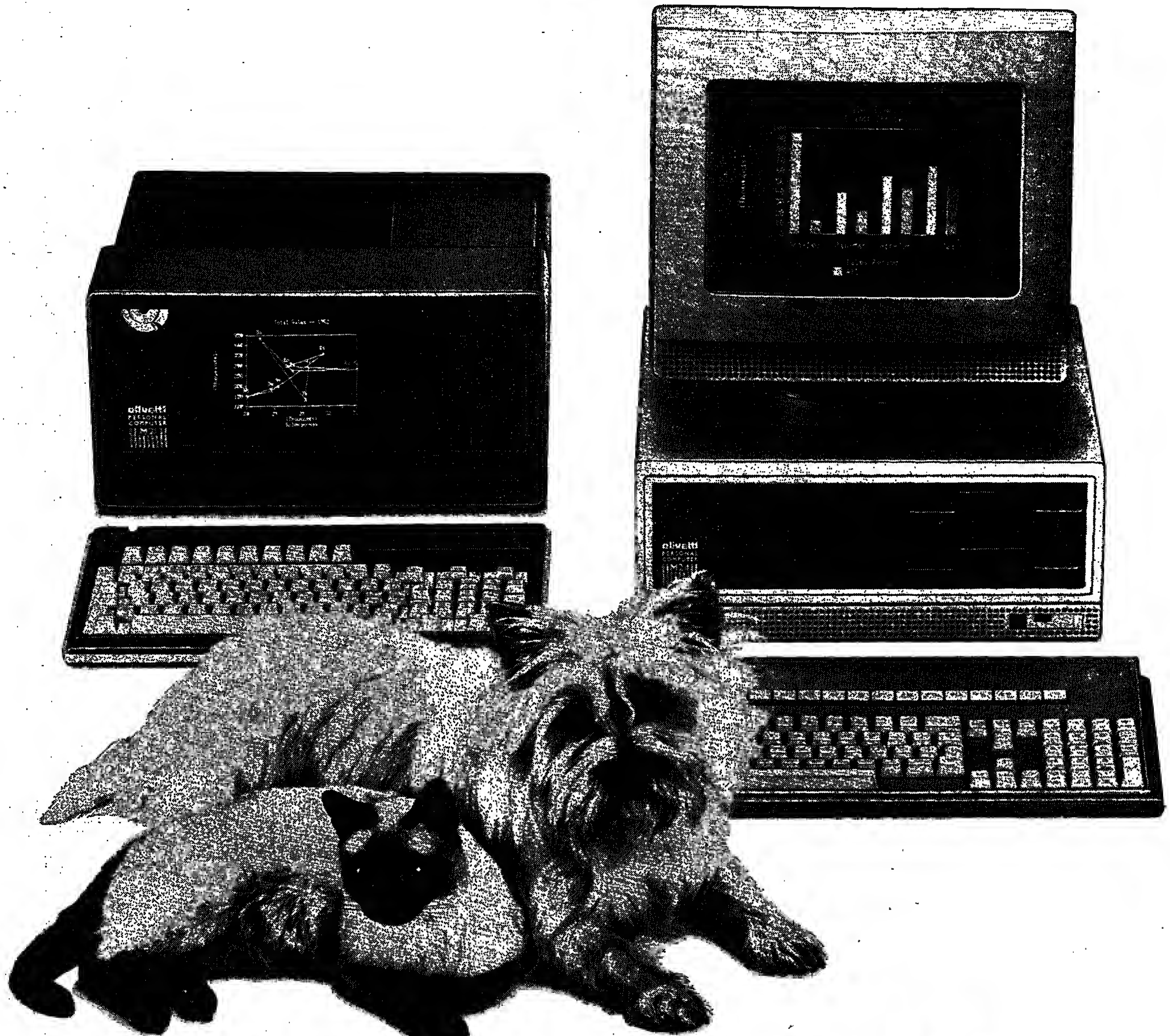
The country's recent $48.7bn debt rescheduling agreement had paved the way for a new borrowing strategy by Mexico through its provision for banks to lend in their own domestic currencies. This could lead to a fragmented borrowing market in which Mexico would be able to split its new borrowing needs among several currencies and instruments, he said.

The currency risk to Mexico in the new agreement was less than many people supposed because a maximum of $12bn in loans, or 18 per cent of Mexico's public sector debt, was eligible for switching from dollars to other currencies and the whole process would take place over four years.

Sr Gurria said some banks had already indicated they would not take advantage of the switching possibility, but if all did so, Mexico would increase its yen borrowings by about $4bn equivalent. Loans in Canadian dollars would rise by U.S.$2bn and those in D-Marks by $1.5bn.

Mexico would take steps to protect itself from increased debt service charges resulting from an appreciation of these currencies against the dollar by hedging its position in the foreign exchange markets.

THE OLIVETTI FAMILY OF PERSONAL COMPUTERS



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U.S. intensifies pressure for Israeli pull-out

BY NORA BONSTANY AND TONY WALKER IN BEIRUT

DIPLOMATIC activity in the wake of last week's bombing of the U.S. Embassy in Beirut appears to have pushed forward efforts to secure a withdrawal of Israeli forces from southern Lebanon, where their presence is a major stumbling block to Lebanese internal reconciliation.

The surprise visits of Mr Richard Murphy, U.S. Assistant Secretary of State for Middla Eastern Affairs, to Damascus over the weekend and to Jerusalem last night are almost certainly connected with attempts to end the Israeli occupation.

Mr Murphy held two-hours of discussions with Syria's President Hafez al-Assad before arriving unannounced in the Israeli capital, where last night it was expected that be would see Mr Shimon Peres the Prime Minister.

Syrian officials were quoted as saying that Mr Murphy's talks centred on the withdrawal issue.

Renewal of U.S. shuttle diplomacy in the Middle East followed a statement on Sunday by Mr Yitzhak Shamir, Israel's Foreign Minister, that Jerusalem is prepared to drop its demand for the simultaneous withdrawal of Syrian and Israeli troops from Lebanon.

Previously, Israel has insisted that the removal of its troops from South Lebanon be accompanied by a similar withdrawal of Syrian forces from Central and Northern Lebanon.

Diplomats bere say that Mr Shamir's statement, in an interview with the New York Times and quoted by Israel Radio, removes a major obstacle in the way of a settlement of the South Lebanon problem.

Another significant development in the past several days is Mr Shamir's statement that Israel is exploring the possibility of the U.S. playing the role of "intermediary" between Jerusalem and Damascus in the South Lebanon issue.

Mr Murphy may well have been performing that role in the past several days.

Diplomats in Beirut say Mr Murphy's sudden visit to Damascus—he had flown to Lebanon to supervise investigations into Thursday's bombing—indicates that the U.S. is anxious to push forward moves for an Israeli withdrawal from South Lebanon and recognises Syria's pivotal role

Diplomats here note that Mr Murphy, a former U.S. Ambassador to Damascus, spoke recently before a Congressional committee about the positive contribution Syria could make to peace and stability in the region.

Security arrangements for southern Lebanon will almost certainly involve an expanded Unifil (UN Interim Force in Lebanon) presence.

During a tour of the region last week, Mr Brian Urquhart, Assistant Secretary-General of the UN, said Israel regarded Unifil as a "very useful element" in any arrangements that would guarantee the safety of its northern borders.

This marks an important change in Israel's previously negative attitude to the international peace-keeping force.

● Three U.S. warships with combat marines on board cruised outside Lebanon's territorial waters yesterday, reports Reuter from Beirut. The ships were 30 miles off the coast and would offer support services to the U.S. officials investigating the embassy blast, a spokesman said.

"This ships are not here to land troops or anything like that. They will offer us help if we need it. For example, one of our wounded was evacuated to one of the ships," the spokesman said.

Editorial comment, Page 16

Egypt receives Soviet envoy

THREE years after his predecessor was expelled, the new Soviet Ambassador to Egypt, Mr Alexander Belonogov, presented bis credentials lo President Hosni Mubarak yesterday Reuter reports from Cairo.

Last July, the two countries agreed to exchange new ambassadors.

The Egyptian and Soviet Foreign Ministers, Mr Esmat Abdel-Maguid and Mr Andrei Gromyko, also arranged to meet in New York, where they are attending the United Nations General Assembly.

British retrieve Suez Gulf mine

British divers have confirmed that a cylinder found 13 days ago in the Gulf of Suez is a mine and bave lifted part of it to the surface for examination, Western diplomats said yesterday, Reuter reports from Cairo.

Instrumentation from the cylinder-shaped object is being examined. The rest of the object, packed with explosives, remained on the sea bed.

Inspection of the device could throw light on the mysterious undersea explosions reported in the Gulf of Suez and Red Sea since July 9.

Philippines to suspend exporters' windfall tax

By Emilia Tagaza in Manila

PRESIDENT Ferdinand Marcos, in a move that takes the Philippines closer to readjusting the peso exchange rate, bas ordered the suspension of the "windfall tax" on foreign exchange earnings of local exporters.

The move is in line with recommendations of the International Monetary Fund, which is about to approve an SDR 615m (£370m) standby credit, that the Philippines adopt a single and floating exchange rate.

At the moment the peso is in a controlled float and follows a multiple exchange rate system. Government officials bave said the exchange rate is the last major hitch to the IMF credits which bave been under discussion for 11 months now. Both the Government and bankers now expect the facility to be approved in October.

The export windfall tax and the excise tax on foreign exchange purchases of non-importers bave given rise to the multiple exchange rate.

With the windfall tax, exporters did not get the full 18 pesos to one dollar official rate for every dollar they brought into the country. The tax was imposed last June in view of the windfall gains exporters made from the peso devaluation.

With the taxes in effect, there were four operating rates for peso dollar transactions: Pesos 16.20 for exporters, Pesos 18 at official rate, Pesos 19.80 with the excise tax, and Pesos 20 in the black market.

India presses for industrial co-operation

By D. P. Kumar in New Delhi

INDIA yesterday asked the technologically-advanced members of the Commonwealth in the Asian and Pacific region to volunteer to transfer technology to the less developed countries.

This should be in the spirit of co-operation among the members of the region, as distinct from purely commercial dealings, Dr R. S. Sidhu, India's secretary for Industrial Development, said.

Inaugurating the five-day fifth meeting of the Commonwealth Heads of Government working group on industry in New Delhi, Dr Sidhu assured India's full co-operation in achieving the objectives of the working group.

Mr Wep Kanwai, chairman of the working group and Papua New Guinea's minister for Industrial Development, who presided, said the meeting would examine the need for co-ordinating industrialisation programmes within the region, to improve efficiency in utilising available resources.

Lange will seek to keep NZ within Anzus

By Dai Hayward in Wellington

NEW ZEALAND'S desire to remain a full partner in the Anzus defence pact with the U.S. and Australia, despite its ban on nuclear warships entering New Zealand ports, will be argued by Mr David Lange, the country's Prime Minister, in a meeting with Mr George Shultz, U.S. Secretary of State, in New York today.

It will be the first full meeting at which the effects of New Zealand's nuclear ban and the Anzus Treaty can be debated, along with possible U.S. trade repercussions to the Anzus Treaty, since New Zealand's Labour Government came to power in July.

Warnings have come from two U.S. congressmen that unless New Zealand modifies its stand, a new defence treaty between the U.S. and Australia, which would exclude New Zealand, may be negotiated.

Hong Kong pact can be added to, say Chinese

BY DAVID DODWELL IN HONG KONG

THE JOINT Sino-British declaration on Hong Kong's future, due to be initialled in Peking tomorrow, cannot be altered—but it could be added to, Chinese officials revealed in Hong Kong yesterday.

The statement, 10,000 words long, is a significant reminder that a number of issues remain unresolved on Hong Kong's future, and will not be part of the declaration.

The colony, which has been under British control for over 140 years, will be handed back to China in 1997 when leases expire on nine-tenths of the territory.

Officials from the Hong Kong branch of the New China News Agency which acts as China's defacto embassy in Hong Kong said at a briefing intended to prepare correspondents for the announcement of the joint declaration, that there would have to be a new round of talks if anything was to be added to the declaration.

But if both governments agreed, then this could be done, they added. Nevertheless, this was "a hypothetical question."

Government officials in Hong Kong confirmed yesterday that there would be matters falling outside the joint declaration which would be taken up by the joint Sino-British Liaison Group once the declaration is signed.

If this group could not reach agreement on particular issues, then these would be referred to Peking and London, with special working groups likely to be set up to resolve differences. Whenever settlements are reached, they will be added to the joint declaration.

Officials emphasised that this mechanism would not apply to the three issues which blocked agreement in the final stages of negotiation over the joint declaration—land rights, aircraft landing rights, and the rights of British nationals in Hong Kong.

Soviet-built waterway in Turkmenistan is transforming barren lands

Massive canal near completion

ASHKHABAD, Soviet Turkmenistan – Along the edge of the Karakum Desert, below the ridge of the Tranian plateau, one of the Soviet Union's greatest construction projects is nearing completion: the world's longest canal.

The canal, which already stretches 1,100 km across the Karakum – the name means "black sands" in Turkmenian – brings water from the Amu Darya river to 1m hectares of once barren land now rich in fruit and cotton.

"The project was first thought of nearly a century ago, under the Czar," said Mr Georgy Okropelitsa, chief construction engineer at the Turkmenian Soviet Republic Water Ministry. "We hope to finish it within the next five-year plan."

The final stage of the canal is due to curve south following the border with Iran formed by the Kopet Dag mountains, to Turkmenia's dry subtropical zone, an area of scorching heat South-west of the Caspian Sea – to turn it into a cotton area.

Before the canal was started in 1954, Turkmenistan's cotton crop was 400,000 tonnes a year. That figure has since tripled.

Of equal importance in Turkmenistan's development has been the change wrought by the canal in the population's lifestyle. Regular agriculture and piped drinking water have contributed to ending a nomadic lifestyle forced by climatic conditions.

Much of the rural population in the now-fertile strip along the border lives on state or collective farms today, with natural gas and electricity.

Mr Yagmur Poshadov, head of a farm next to the border with 6,000 people on it, recalls the days after the farm's foundation in 1957, in the wake of the canal, when they still lived in tents.

Now he is hoping for a harvest of 15,000 tonnes of cotton from his 5,300 hectares, while the farm also sells to the state surplus production of alfalfa, a little maize and grain, and fruit and vegetables from workers' private plots.

They also keep sheep and cattle which graze on the rough vegetation growing where once there was only desert.

On completion of the remaining 300 km, planned for 1990, the canal will provide water to an area where the only supply at present comes from tiny rivers which dry up by late May as the temperature touches 50°C (122°F).

At present the oil-mining cities of Nebit Dag, in the desert, and Krasnovodsk, on the salt-water Caspian, are fed with drinking water by pipelines from the canal.

The drain on the Amu Darya, which with the more northerly Syr Darya forms the basis of Central Asia's river system, is enormous.

In summer, the canal feeding Turkmenistan and the drain to neighbouring Uzbekistan, the Soviet Union's biggest cotton-producing area, all but empty the river so that only a trickle flows into the Aral Sea.

The sea's level is gradually falling, but Mr Okropelitsa has no qualms about any ecological threat: "I think it is much more rational for the water to come to us where it is being used for people and agriculture."

The population of Central Asia is growing faster than in any other part of the Soviet Union and the need for water is rising. Mr Okropelitsa also supports an ambitious plan to divert water south from the giant rivers of Siberia.

"I consider it quite feasible," he said. "The water could be channelled into the Amu Darya. Some would come to us and it would also top up the Aral Sea."

At present a scientific group is studying the possibility of diverting water from the Ob and Irtysh rivers – which now flow into the Arctic, feeding the polar ice – by means of a vast canal south to the populous but dry desert zones.

Mr Grigory Voropayev, chairman of the group, said in a newspaper interview last month that he saw no alternative to the plan and dismissed objections by those who believed it could cause a major environmental upset.

A move to such a project would also be logical for the 25,000 workers now employed on the Karakum Canal, although Mr Okropelitsa also talks of the possibility of a scheme to extract underground water in northern Turkmenistan.

Meanwhile, they are also engaged in widening and deepening the existing canal

Reuter

Chinese reduce rationing

PEKING – Strict food rationing in China, which began shortly after the Communist takeover in 1949, is almost a thing of the past except for some items including grain and cooking oil, according to the official magazine Peking Review.

People in Peking confirmed that it was now possible to buy any food in the city without ration coupons, provided it was in season.

The weekly magazine said China's city dwellers were finding that their previously prized coupons for food and other essential items such as soap, cigarettes and cotton were now virtually waste paper.

The magazine said the Government planned to concentrate on producing scarce commodities and luxury items until all rationing disappeared.

Local Chinese said even rationed commodities were available in the multitude of peasant "free" markets which sprang up after sweeping agricultural reforms initiated by Chinese leader Deng Xiaoping in the late 1970s.

Reuter

WORLD TRADE NEWS

EEC takes tough line over Canada's anti-dumping law

BY PAUL CHEESERIGHT IN BRUSSELS

THE EEC's irritation with Canada's anti-dumping legislation found expression yesterday when the Commission imposed extra duties on a specialised Canadian chemical product and ruled out any acceptance of a price undertaking from the supplier involved.

Anti-dumping actions can usually be settled when an overseas supplier agrees to raise the price of a dumped product close to that prevailing in the EEC. This is consistent with anti-dumping code agreed during the General Agreement on Tariffs and Trade (Gatt) multilateral negotiations of the 1970s.

But the EEC refuses to grant Canadian companies this facility because Canada itself has not offered it in the past.

Community legal experts are now examining new Canadian anti-dumping legislation with a view to raising again Canadian practice at the Gatt committee supervising the anti-dumping code, it was disclosed yesterday.

The new legislation replaces a blanket ban on the acceptance of price undertakings from suppliers found dumping on the Canadian market. Instead price undertakings will be accepted if they are made before an anti-dumping investigation is started.

In Brussels this is seen as unfair pressure, a demand for admission of guilt without an attempt to establish the facts.

The Commission therefore ruled out any possibility of a price undertaking from Celanese Canada, charged with dumping on EEC market a chemical product used in paint production called pentaerythritol. On Sunday a provisional anti-dumping duty of 15 per cent came into effect for four months.

By contrast, Swedish and Spanish suppliers caught up in the same complaint, lodged by the European Council of Chemical Manufacturers Federation, had their price undertaking accepted.

This is the second time this year the Commission has refused to consider any Canadian price undertaking in anti-dumping case. The first concerned vinyl acetate monomer sales.

The Commission acknowledged that it will use every opportunity to express dissatisfaction with the Canadian practice, on the grounds that reciprocity is essential.

Five-year Finnish-Soviet agreement to be signed

BY LANCE KEYWORTH IN HELSINKI

A FINNISH-SOVIET five-year framework trade agreement for 1986-1990 will be signed in Moscow during an official visit by Mr Kalevi Sorsa, the Finnish Prime Minister, which starts today. The agreement foresees a trade turnover of roubles 26-27bn (£24bn), about 5 per cent more than the current agreement which runs out next year.

Finnish-Soviet trade is roughly balanced in each five-year period. In 1982-83, however, when oil prices rose sharply, Finland increased its exports to pay the bill and ran up a surplus of around roubles 450m, well above the swing credit limit of roubles 300m. Nearly 80 per cent of Finland's oil requirements are met by imports of Soviet crude and oil products.

Special arrangements and more stable oil prices helped to restore the balance in the current year and the new five-year agreement period will start from a "clean slate."

Mr Sorsa will be accompanied by a team of businessmen involved in trade with Finland's eastern neighbour. They will discuss with their Soviet opposite numbers several contracts expected to materialise in the five-year period.

UK groups to study Kenya Railways

By Hazel Duffy

KENYA RAILWAYS has appointed three British consultancy firms to carry out studies designed to improve the railways efficiency and provide the basis for future investment decisions.

The studies, which are being financed by the British Overseas Development Administration, comprise a review of the headquarters organisation structure, and a study of training needs — these two to be carried out by Coopers & Lybrand; an assessment of locomotive requirements over the next 25 years — this is being done by Henderson Busby International; and a rail workshops study, by Rendel Palmer & Tritton.

Kenya Railways is potentially one of the most efficient on the African continent, but the network has suffered because of delays and uncertainties affecting investment since the break-up of East African Railways in 1977.

Freight traffic is particularly important for the railways, and it is expected that this will build up rapidly with the movement of grain from Mombasa and the opening recently of Kenya's first inland container terminal at Embakasi, Nairobi.

The studies are in line with the requirement of overseas lending agencies like the ODA and the World Bank which want to be satisfied that the money they lend on railways in developing countries is being used to the best advantage.

In the past, governments have sometimes bought new railway equipment when more efficient use could be made of existing rolling stock and locomotives. The study being carried out for Kenya Railways by Henderson Busby, for instance, will weigh up the capital and maintenance expenditure involved in scrapping existing stock or improving it.

It will also include an examination of the long term advantages of electrifying part of the network.

Rules on letters of credit updated

BY MICHAEL ROWE

RULES APPLIED by banks to letter of credit operations throughout the world are being replaced by a revised code from October 1. The author of the rules — the Paris-based International Chamber of Commerce (ICC) says the new version takes account of developments in trade and transport techniques such as increased use of multimodal transport and automation of document handling.

Letters of credit — also known as documentary credits — are widely used as a method of payment in sale of goods deals between industrialised countries and the Third World. The buyer asks his bank to open a credit in favour of the seller. The credit is notified to the seller through a bank in his own country. He is entitled to be paid by the bank if he presents stipulated documents relating to the goods. Typically, these include bills of lading, commercial invoices, cargo insurance policies, inspection certificates and attestations of origin.

The ICC's code — the Uniform Customs and Practice for Documentary Credits — was first drawn up in 1933. Organisations in 40 countries have already agreed to apply the new provisions which were finalised last year. The previous edition, dating back to 1974, was accepted by banks in virtually every country, except the People's Republic of China.

The code, which is applied voluntarily, spells out the detailed obligations of banks issuing and paying documentary credits, and lays down minimum requirements for the documents presented by the seller.

The main document is the bill of lading or other instrument containing details of the contract of carriage. It shows that the merchandise has been shipped, and provides the key to control of the goods.

The bill of lading developed at a time when sellers took their goods to the ship. Nowadays, the exporter hands the shipment over to a freight forwarder or multi-modal transport operator who arranges with individual carriers for the through movement of the goods from seller's warehouse to buyer's premises.

The 1983 rules acknowledge this development by making it easier for banks to accept documents covering several different transport modes. The main requirement is that the transport document must have been issued by a carrier who takes charge of the goods and undertakes to have them delivered to their destination.

Freight forwarders who consolidate goods from different shippers and negotiate favourable freight rates with carriers will not normally qualify, since they do not usually add their own undertaking to that of the carrier.

Banks have to pay up if the documents presented tally with the credit terms. They are not supposed to check into the underlying contract to see whether correct—or any—goods have been delivered. This system allows prompt payment, but also provides opportunities for fraudsters.

In one case the Somalian Government ordered 10,000 tons of sugar at a price of $5.9m (£2.45m) from a trader in Bangkok. The Government arranged for the issue of a letter of credit, payable at the Moscow Narodny Bank in Singapore. The trader then shipped a small part of the consignment and forged the documents for the rest. He got payment for the full amount and disappeared.

Shipping documents are notoriously easy to forge. In London, the blank forms can be bought in stationers' shops for 20p each.

The group responsible for drafting the new rules considered this problem but thought it could not be solved by provisions in a voluntary code of practice.

> 'The time to avoid fraud is during the first contacts between buyer and seller. This is the time when banks can brief buyers on credit rating.'

"The time to avoid fraud is during the first contacts between buyer and seller," says Mr Bernard Wheble, a veteran British merchant banker, and the man who masterminded the ICC rules change. "This is when banks can brief buyers on credit rating and the standing of a prospective supplier."

Banks try to streamline their letter of credit procedures. Pressure on margins is growing. At the same time the increase in trade operations spurs new institutions to enter the business.

"Many of the newcomers to the field have little experience and, as a result, tend to underestimate the need for caution," comments Prof E. P. Ellinger, a Singapore-based trade law expert.

In response, the new Uniform Customs and Practice give more detailed guidance to users than previous versions, and are more precise. For instance, problems frequently arose when credits failed to make it clear whether they were payable at the counters of the advising bank in the buyer's country or at those of the issuer in the seller's country. The new rules say banks have to specify.

Stand-by letters of credit—frequently issued by U.S. banks to guarantee suppliers' obligations under international contracts — now fall specifically within the rules.

Bank staff increasingly use computers — often desk-top minis—to draw up and process credit instructions. Credit details and funds transfer instructions can be sent between banks through advanced telecommunications networks. The Brussels-based SWIFT—Society for Worldwide Interbank Financial Telecommunications—provides one example.

In a few cases, customers can key their instructions from their own terminals directly into the bank's computers. Facilitation bodies in the U.S. and Europe are working on electronic alternatives to traditional trade documentation. An electronic registry for bills of lading—Seadocs Registry Ltd—is scheduled to start pilot operations in London early next year.

The revised Uniform Customs and Practice contain a new article providing for the acceptance of documents produced by computer. The emphasis remains on traditional techniques, however. Some query whether the rules will have time to settle down before technological developments overtake them.

Michael Rowe is a Paris-based trade law specialist.

Iraq water treatment deal

THE FIRST major slice of a £250m British line of export credit to Iraq has been taken up by the water treatment contractors Paterson Candy International, Our Trade Staff reports.

The company said it had signed a contract worth £23m for extension of the Karkh water supply scheme in Baghdad.

It is already involved in the first stage of the project, which includes a contract worth £57m for water treatment plant.

Under a financial protocol last October, Britain's Export Credits Guarantee Department said it would guarantee export loans of up to £250m for the purchase of British capital goods.

Last month an £85m general purpose line of credit was announced and a separate loan of £25m for the purchase of UK pharmaceuticals. The loans were arranged by Morgan Grenfell, the London merchant bank.

Soviet Union to build Algerian power station

BY FRANCIS GHILES

THE SOVIET UNION has signed a contract with Sonelgaz, the Algerian state gas company, for the construction of a 630 Mw thermal power plant to be built at Jijel, in eastern Algeria, say Algerian Government officials.

One-third of the capital equipment for the three 210 Mw units will be supplied by Algerian companies, the balance coming from the Soviet Union.

Construction will start immediately, and the plant is expected to be completed by 1990. The cost will be about £250m.

The plant's major purpose will be to provide energy for the future steel complex of Bellara which is to be built near Jijel. This complex will be Algeria's second steel plant, but so far there is no indication of which of the many foreign contractors interested in this project might be chosen.

When the new thermal plant and others under construction are completed in 1991, the total electricity capacity in Algeria is expected to rise from its current level of 3,000 Mw to 5,030 Mw.

● Egypt and Switzerland yesterday signed an initial agreement on co-operation in peaceful uses of nuclear energy, the official Middle East News Agency (Mena) said, AP-DJ reports from Cairo.

Mr Mehmoud Maghrabi, head of Egypt's Nuclear Power Stations Authority, signed for Egypt while Ambassador Mr Jean Cuendet signed for the Swiss side.

Mena quoted Mr Maher Abaza, Minister of Electricity, who attended the ceremony, as saying that the agreement would ben finalised before the end of the yeer after it had been endorsed in the two countries.

Finance agreed for BAe order

By David Lawson

LEASING finance of $73.8m (£59m) has been arranged for Pacific Southwest Airways on five of the 20 BAe-146 aircraft it has ordered from British Aerospace.

General Foods Credit Corporation and Harvey Hubbell have provided the resources for the deal. It was arranged by Commercial Union Capital Corporation of New York, a U.S. subsidiary of Britain's Commercial Union Assurance.

The corporation runs a joint venture with Lehman Brothers, part of Shearson Lehman/American Express, to arrange equity participation in leveraged leases. A similar deal was arranged earlier this year to the first BAe 146 in the Pacific Southwest order.

British Aerospace won the order for 20 of the 100-seat BAe-146-200s last year against stiff U.S. opposition. Delivery is scheduled to the California-based airline this year and next, with production running at two a month.

Daewoo arranges loan

Daewoo Heavy Shipbuilding and Heavy Machinery this weekend finalised a $48.87m loan to finance construction of two vessels to be sold to the Luxembourg holding company, Stolt Tankers and Terminals for delivery in 1985, David Dodwell writes from Hong Kong.

Lead manager for the loan—which will be made up of two tranches— will be KEB (Asia) Finance, the merchant banking arm of the Korean Exchange Bank.

Pulp plant order

Gadelius, a subsidiary of the Swedish Flaekt Industrial engineering group, has won orders worth a total SKr350m from three large Japanese pulp and paper producers, David Brown reports from Stockholm.

Gadelius will supply two complete pulp lines for continuous cooking, washing, and oxygen bleaching to Oji Seishi and Taio Seishi in what are described as its largest orders to date. In a third contract, it will deliver a continuous cooking plant to Hokuetsu Seishi.

Refinery revived

The Indonesian Government has revived the $1bn Musi refinery project, one of 40 major projects shelved indefinitely two years ago to help the economy weather the effects of the world recession and falling oil prices, Reuter reports from Jakarta.

The official news agency Antara said President Suharto had issued instructions that contractors, JGC Corporation and Nissho Iwai, both of Japan, should go ahead with phase one of the project which entails revamping two old refineries.

TECHNOLOGY

EDITED BY ALAN CANE

BUSINESS MEETINGS BY TELEVISION MAY BE CHEAPER

Compression cuts conference costs

BY GEOFFREY CHARLISH

A CALIFORNIAN electronics company has developed equipmant which it claims will be able to send television pictures over a standard digital telephone channel, cutting television conferencing costs to "a small fraction" of those incurred with systems currently on offer in Europe.

The development, from Widcom in Campbell, California, could mean that when digital telephone links between individual subscribers are fully established, it will become possible to send television pictures over switched telephone networks, albeit at a lower quality than broadcast TV.

Switched digital connections to business premises will become available in The City of *London early next year but it* will be some years before other parts of tha country are covered. Such connections are dependent on the programme to instal system X telephone exchanges.

In video conferencing—which so far has very few users and needs dedicated links—the participants gather round a console housing screens and a camera, viewing both the faces ond the documents transmitted from similar equipment at the other end of a telecommunications link. The idea is to reduce the cost of travel among company executives and to allow faster communications.

Such systems have been in existence for 10 years, but have been costly to use and have involved travel by tha users to a regional transmission centre.

Over the past 18 months two companies, Compression Laboratories of California (whose products are offered by Plessey in the UK and ITT in Europe) and GEC Video Systems of Slough (in co-operation with BT) have announced systems which sharply reduca the bandwidth needed to send the pictures over line and satellite links. In addition, large-scala integrated circuit "chips" have kept down the cost of the equipment itself.

The bandwidth of a communications link is its total capacity to carry information. Telephone channels use only a tiny part of the total, but television pictures, because they carry relatively large amounts of information, use up much more. A line that can accommodate thousands of telephone converstations for example, can carry only a handful of TV channels.

So television transmission is costly compared with speech, and engineers have been seeking to reduce it for years. Tha basis of all the systems is to identify "redundancy" in the picture frames as they occur. For example, a static picture, say a page of text, once sent, needs no further transmitted data because one frame is no different from the last. The picture is received and stored for continuous re-display at the other end.

Basically, the systems look for changes from one TV frama to the next (there are 25 each second) and also, on an area for area basis, differences within a frame — which for this part of the processing is divided up into several bundred areas.

The fewer differences there are the less data needs to be sent. So a crowd in the rush bour at Victoria station needs more data than one man walking down an empty street.

The effectiveness of the techniques is dependent on software employed, but in all cases as the amount of data compression increases, the picture definition reduces, particularly during motion of the content.

Widcom says its software is good enough to allow transmission at digital rates of 56,000 bits per second (56kb/a), which will probably be the standard rate of a digital telephone channel in the U.S. (The likely UK figure is 64 kb/s).

Widcom claims that in terms of definition and noise, the pictures received are as good as those from a typical home video recorder. In terms of motion, only relatively violent movements (not usual in a conference) will produce blur. After the motion blur, it is claimed that the picture recovers in about 0.3 second.

If the picture quality of the unit proves acceptable, than the achievement in reducing the bandwidth to 56 kb/second is considerable. Most of the other systems use a data rate in the 1.5 to 2.0 megabits/second bracket.

The success or failure of these systems will depend on cost and the acceptability of the picture quality. Only a practical demonstration really counts, bnt it seems evident that the conference participants will be required to remain reasonably static.

Most of the systems have facilities for sending documents on a single frame basis—some spend more time transmitting the frame in order to increase the definition.

A recent report by Frost and Sullivan estimates that videoconferences are conducted by fewer than 10 per cent of the largest U.S. corporations, although telephone conferencing is used by about 40 per cent of them. Of the communications managers consulted, about balf expect to use video conferences in the future.

These managers attribnte their resistance to the technique to loss of personal contact and relatively high cost. Having to go to some special location to be in a conference also seems to be an objection.

The important part of any system is the "codec" (coder-decoder) where the signal processing takes place. Widcom's price for one of these in tha U.S. is $75,000. A year ago Compression Laboratories was quoting $145,000 for its VTS 1.5E system.

In terms of transmission charges, in the U.S. it has been estimated that a reduction is possible to at least one tenth of the costs with existing 1.5 Mb/s systems.

In the UK the only announcement of a corporate system so far has been from Ford, which is using the GEC system to confer with European colleagues via satellite.

HOW ROBOTICS CAN TEST COMPONENT SIZE

Robots with sight measure distance

A SMALL British company is trying to marry the use of robots with technology to measure distances using optical sensors. In this application, a robot holds in its gripper a device that shoots radiation at a surface and detects the reflected beam.

In this way, the sensing device can determine the distance of the surface from the gripper and hence its position. With a suitable set of software instructions, the robot can be made to move rapidly around an engineering component, taking a series of measurements at set locations.

The technique enables engineers to monitor accurately and quickly the dimensions of objects, for example as they move off a production line. In contrast, most established ways of doing the job are clumsy and slow. A technician would have to take the item to a fixed measuring station and painstakingly record the dimensions of parts of the hardware, with callipers for instance.

G.V. Planer, based in Sunbury on Thames, near London, is selling systems based on the robotic measuring techniques. The sensors themselves are based on laser diodes and semiconductor radiation detectors. They are made by Selcom, a company in Sweden. The devices can be fixed to standard types of industrial robots, for example made by Cincinnati Milacron or Asea.

Measurement technology based on this system was pioneered by General Motors in the U.S. With such hardware, the car giant monitors the dimensions of vehicle bodies in factories.

G.V. Planer says it is trying to tempt an unnamed British car company to buy a similar set of hardware. The cost for a two-robot system would be about £100,000. The Sunbury company also hopes to sell the hardware to enterprises in the engineering industry.

PETER MARSH

Armoury for success in the European computer world

"IBM HAS been the 'big winner' over the last year" (UK).

"In its first year on the PC market, IBM 'created' the distribution network, in the second all the signs are they are intent on creating the market" (West Germany).

"The complete domination of the market by the two leaders IBM and Apple, leaves very little room for other manufacturers" (France).

"Olivetti continued its domination . . . in the first half of 1984 the IBM PC became a very serious threat" (Italy).

If any further proof was needed, these quotes from a new survey* of the European market for professional personal computers shows that IBM's marketing strategy has been as successful outside the U.S. as within.

It suggests that in 1983, Apple had 16 per ceot of the total European market followed by IBM with 13.4 per ceot and Olivetti with 6.0 per cent.

By the end of 1984, it predicts, the picture will have altered markedly. IBM will lead with 28.2 per cent with Apple almost 10 per cent behind with 18.3 per cent. Tbe rear is brought up by Olivetti (7.7 per cent) Hewlett Packard (5.1 per cent) and Digital Equipment (4.7 per cent).

The survey notes: "Although by total European volume, the ACT Apricot computer will achieve in 1984 significant volumes, these will be chiefly in the UK; the market share of ACT/Apricot in other European countries will still be small in 1984."

Japanese manufacturers as a group claimed 10 per cent of the European market in 1983; the survey expects this share to slip to 8.9 per cent in 1984.

The authors of the report, Intelligent Electronics of Paris, believe that the personal computer market in Europe is entering a period of dramatic growth which sbould be sustained until well into the 1990s.

"PCs have now begun to penetrate the large companies in most European countries and the penetration rate is likely to accelerate as intelligent PCs take the place of existing computer terminals."

The distribution picture bas changed considerably at the same time. Computer stores have expanded while the importance of both the systems bouses and the office equipmeot dealers bas diminished: "Under the implemeotation by IBM of a dealer orientated distribution policy, authorised IBM dealers have become the leadiog vendors in every country. Not only bave they achieved the highest sales volumes on average per dealer, they have originated new standards in distribution."

The weapons to be used in the emerging European personal computer wars are essentially:

1—Products which are easy to use and easy to connect to other pieces of equipment.

2—Promotion of the development of software by local and international software producers.

3—Development of a strategy for dealer networks.

Professional Personal Computing

BY ALAN CANE

4—Strong dealer support in terms of delivery, after sales service and information.

5—Fixed prices, published price lists, control of negotiations for large orders and other methods of price control.

6—Visibility in the market place supported by efficient merchandising aids.

7—High priority given to press and public relations.

8—High advertising budgets.

9—Coherent Europewide strategy with attention paid to national peculiarities.

In other words, all the apparatus of mass marketing. In the UK, for example, the survey notes: "There is a very high level of advertising expenditure on microcomputer products and manufacturers are taking an increasingly aggressive position in their campaigns . . . advertising in the UK is that of a mass consumer market— elaborate messages and mass media."

By comparison, the West German distribution network bas been slow to develop and there has been a trend towards computer dealers growing in size, but not in number: "As dealers have to provide high levels of support to their customers, they tend to concentrate on a limited number of brands. This means the distribution . . . 'bottleneck' is a severe handicap.

In France, the most noticeable trend has been the takeover by compnter stores of the distribution of personal computers, a result of IBM's requirement that stores wishing to become authorised IBM dealers had to have a display window. The result was that systems bouses and office equipment dealers opened specialised compnter boutiques.

Agena, a nationwide chain started by Promodata with the backing of the IndoSuez banking group, bas been tha big success story. Its Paris store is reckoned to be of the highest standard in the country and it bas been opening stores of similar size and quality in big cities every two months since February this year.

In Italy, the scene is set for a battle royal between Olivetti and IBM. Olivetti created the market and when IBM entered the arena, many doubted its chances of competiog against the Italian giant. But in 1964, Olivetti's image as a PC market contender declined because of a lack of software for its machines and o lack of price control.

Intelligent Electronics comments: "Now Olivetti bas introduced its new range of compatible PCs and seems to be implementing a completely new marketing strategy, its chances of renewed success are greatly enhanced. Its long term success will depend on its abilities to implement a strict price control policy."

The inescapable conclusion to be drawn from the survey is that IBM seems unstoppable. There is no sign of significant weakness in its marketing in any of the European countries, and it is the market leader in each one, with the possible exception of France, an Apple stronghold. But as the survey notes: "It will take another few months to see wbether Macintosh is the right weapon for Apple to keep its market leadership position."

In the UK, for example, the survey notes that 1983 was a standstill year for Apple, marking time until the launcb of the Macintosb: "The re-engineered Apple IIe had given its sales a boost in the early part of the year, bnt dealer incentives and promotiooal pricing policies were needed to lift flagging sales towards the end of the year."

**The European Personal Computer Market 1984-1990, Intelligent Electronics, Paris, £750.*

Software

Till sales to stock control

WOOTTON JEFFREYS, the Surrey-based computing services company, has developed software which allows retail till sales to be posted directly to a computerised stock control system.

It is part of a sophisticated sales order entry system that the company has been developing for Sanderson, the wallpaper and fabric manufacturer, and is thought to be the first of its kind in tbe UK.

More on 04867 80033.

Computing

Macintosh enlarged

APPLE COMPUTERS has lotrodneed another version of its Macintosh personal compnter. This has 512k bytes of internal memory and is aimed at business use.

The machine is to be introduced severai months ahead of schedule says the company dne to the availability of 256k memory cbips. The price of the computer will be abont $3,195, though existing Macintosh owners can npgrade their compoters to the 512k byte version.

Medical

Records

PATHMED is a medical records system for pathology departments in bospitals. It was developed by Radius and will run on the Texas Instruments range of computer systems which allow more than one user at a time.

It can monitor the day to day work of the laboratory, record tests and store individual patient history. Included in the system is a word processor system. More details from Texas Instruments in Bedford.

UK NEWS

Leyland unveils key truck range

Roadrunner, a six-to-10-tonne vehicle, completes a 4½-year model renewal programme by the state-owned manufacturer, writes Kenneth Gooding, Motor Industry Correspondent. The Paris Motor Show next week will see a "truck for Europe" which will challenge Renault as well as Ford.

LEYLAND today launches a new medium-weight truck called Roadrunner, which the company claims will take it back to leadership of Britain's heavy truck market, lost to Ford in 1977. It should also help Leyland with the uphill haul to establish a significant presence in continental Europe.

Roadrunner is probably the most important new vehicle in Leyland's history, according to Mr Les Wharton, managing director, and "should set the seal on Leyland's return to viability."

Mr Ron Hancock, its chairman, emphasises how much is at stake by describing the project as being "as important to Leyland as the Metro was to Austin Rover" – another part of the state-owned BL group.

The new vehicle completes Leyland's model renewal programme which started 4½ years ago with the launch of the heavyweight Roadtrain, first of the T45 "trucks for Europe" range.

Of the £80m spent on the T45 models, £10m went to develop Roadrunner, previously code-named MT211.

It fills the gap between the Sherpa vans built by Freight Rover, another BL subsidiary, and the other T45 trucks launched since 1980. "Since that time we have reorganised the Leyland range from a group of outdated and mismatched vehicles to a rational one with models from six to 60 tonnes," said Mr Wharton.

Roadrunner competes in the high-volume six to-10-tonne sector, which accounts for 30 per cent of total UK heavy truck sales (over 3.5 tonnes gross weigth).

In particular it is aimed at buyers of 7.5 tonne trucks – part of the market which has grown from only 1 per cent to 20 per cent of total sales in the past ten years since that became the heaviest weight at which a vehicle could be driven without heavy goods vehicle licence.

The 7.5 tonne sector is dominated by UK-based producers. Leyland's 15-year-old Terrier, Ford's Cargo and the Bedford TL between them have accounted for 85 per cent of sales.

Leyland expects to sell 1,600 Roadrunners in Britain this year and 3,000 in 1985. This compares with Terrier registrations totalling 1,563 last year and a forecast 1,600 in 1984. Its total UK truck sales last year reached 7,467.

Roadrunner will go on sale on October 8 and its first public showing will be at the Paris Motor Show next week. Leyland hopes to sell about 200 in France next year and believes limited volumes can be sold in Spain, Portugal and the Benelux countries.

The company has started seriously tackling the French truck market with two T45 models. Last year Leyland sold only 270 of all types of trucks in France but expects to do better in 1984, even though Renault, in an effort to stop its domestic market share being further eroded, has started the fiercest price-cutting war in Europe.

Leyland expects the launch to put its 35 distributors in France on a much more secure footing.

To enable the Britsh dealer network to cope with the increased volume, the company has appointed 41 new service dealers to handle only Roadrunner and to increase the coverage given by the 53 distributors who have the full range.

Leyland has developed for Roadrunner an entirely new cab which is cheap to make and therefore viable even at relatively low volumes of output. The cab offers drivers the choice of the traditional flat steering wheel, truck-type position or a raked wheel position similar to most cars.

It wanted to make Roadrunner as easy to drive as a private car, an important consideration for a truck which will often be driven by people without heavy-vehicle licences.

Roadrunner is over 95 per cent British in content, according to the company. It is made in three basic models, each available with one of four wheelbases. They have gross vehicle weights of 6.2 tonnes, 7.5 tonnes and 10 tonnes. Wheel bases are 3.25 metres, 3.65 metres, 4 metres and 4.4 metres.

Roadrunner is powered by Leyland's 98 series, a six-cylinder diesel engine, uses Leyland's Albion rear axles and a Turner gearbox. A new Cummins engine – called the Family One and to be built in Britain – should be available from 1986.

If Roadrunner lives up to Leyland's expectations it will boost the company's UK sales by at least 20 per cent. Regaining the leadership of the British heavy truck market from Ford would, apart from anything else, be a great morale-booster for Leyland's employees and its beleaguered dealers after years of continuous decline.

Leyland received a total of £350m of the £2bn government aid for BL since 1978, and £32m of it was invested in a new assembly hall at Leyland, Lancashire where the Roadrunner will be produced alongside the other T45 models.

Roadrunner is the first vehicle to get the full benefit of Leyland's new £22m technical centre, where the truck was developed from the wheels up. By using computer-aided design and testing individual components at the centre, Leyland says it cut the development time from seven to three years.

Even so, Leyland's critics suggest Roadrunner should have been introduced much earlier so as to protect the company's market share. It should have been the first of the T45 models, instead of the low-volume heavyweight Roadtrain, they say.

In 1976, the last year it had market leadership, Leyland sold 13,302 trucks in Britain for a 23.2 per cent share compared with Ford's 12,713 and 22.2 per cent. The failure of Leyland's engine renewal programme in the 1970s – in particular major problems with the then-new 500 engine – had already begun to take its toll and the company's share had fallen from over 30 per cent in 1973. The decline went on until it bottomed out at 13.4 per cent in 1982.

Last year Leyland had 14.96 per cent of the market, whereas Ford captured 21.2 per cent. By the end of last month the gap had narrowed even though Leyland's share slipped slightly to 14.8 per cent – because Ford's penetration was down to 18.74 per cent.

MacGregor to resign from Channel consortium

BY ANDREW TAYLOR

MR IAN MACGREGOR, chairman of the National Coal Board, has suggested that he should step down as chairman of the Eurorote consortium which is proposing an ambitious £4.1bn bridge and tunnel link across the English Channel.

Sir Nigel Broackes, chairman of Trafalgar House, the shipping, property and construction group, is expected to take over Mr MacGregor's position as head of the consortium.

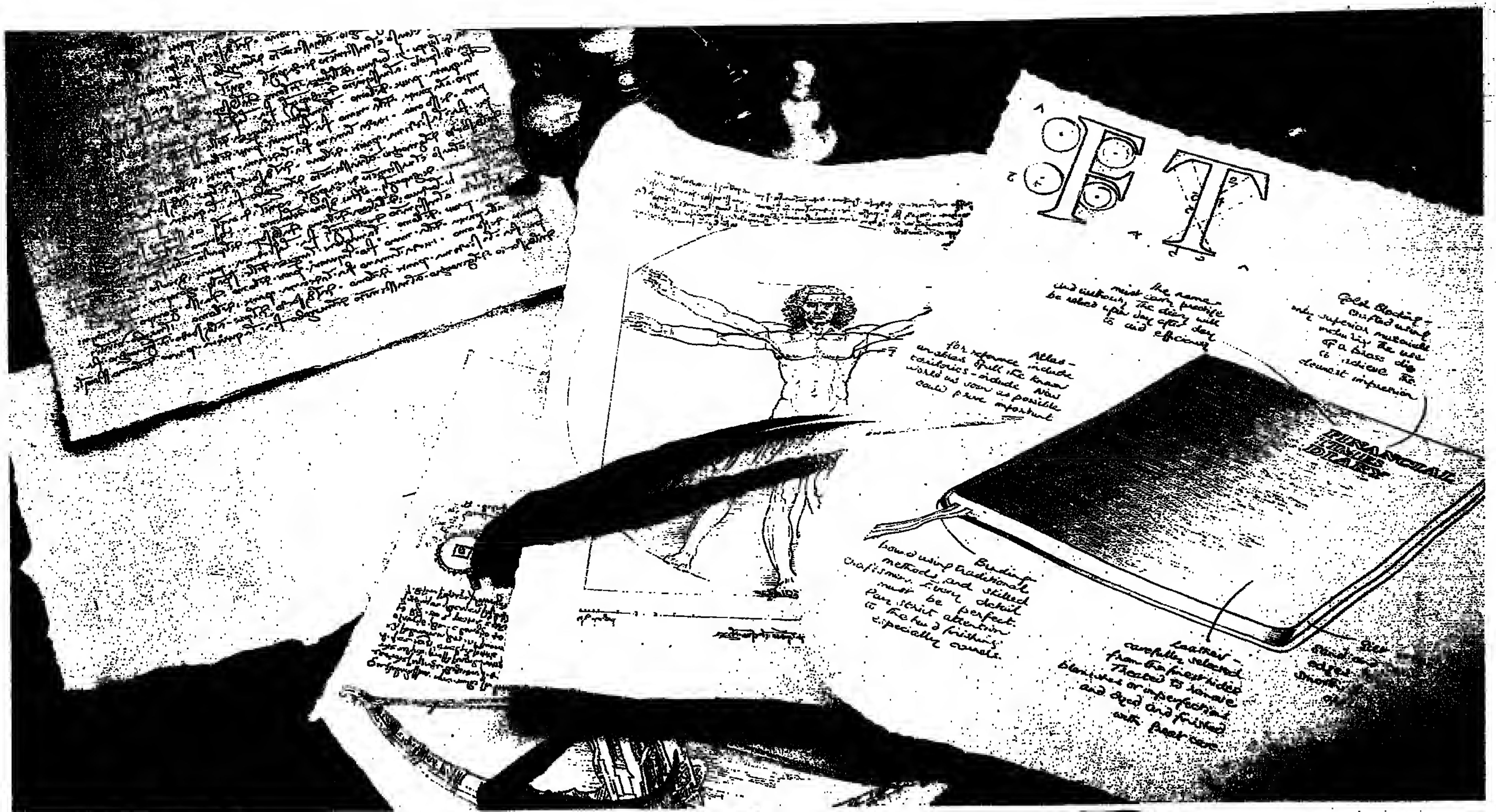
Mr MacGregor took over the Eurorote post while he was chairman of British Steel Corporation. BSC is one of six British members of the Channel link consortium. Mr MacGregor has decided that as he has since left BSC – he became chairman of the coal board last September – it is no longer appropriate for him to remain chairman of the consortium.

Other British members of the Anglo-French consortium include British Shipbuilders, Trafalgar House and the civil engineers John Howard and Fairclough Construction.

French members of the consortium include Société Générale banking group, GTM Entrepose, the civil engineering company, and Chantiers de l'Atlantique, the nationalised shipbuilding concern. Raymond International, the U.S. civil engineering group, is an associate member of the consortium.

Eurorote is one of three consortia with proposals before the British Government for a cross-Channel link. The other large groupings are the Channel Tunnel Group (members include Wimpey, Tarmac, Taylor Woodrow, Balfour Beatty and Costain) and Euro-Bridge, whose members are mostly drawn from designers and consulting engineers supported by ICI and British Petroleum.

The British Government has said it will not back any scheme which requires it to give financial guarantees. It has asked the consortia to come up with plans which allow the British end of a Channel link to be financed entirely from the private sector.



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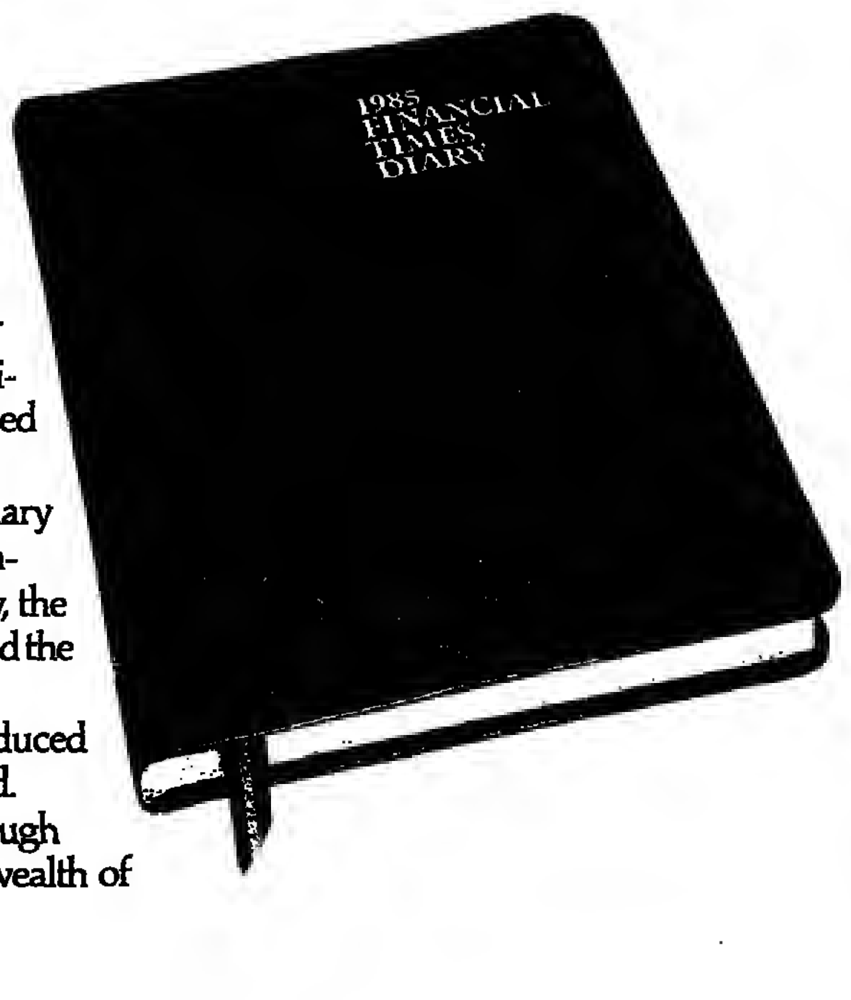

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25/9

NCB may talk again 'directly' to mineworkers

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR IAN MACGREGOR, National Coal Board (NCB) chairman, said last night he was ready for new talks with leaders of the National Union of Mineworkers (NUM), if necessary via the conciliation service, Acas.

After a two-hour meeting with Trades Union Congress leaders, Mr MacGregor said the NCB would "consider resuming negotiations directly with the NUM."

At the same time, the ballot of mining supervisors over whether to join the seven-month coal strike continued yesterday to show a move towards a large majority in favour of action.

Members of the National Association of Colliery Overmen, Deputies and Shotfirers (Nacods) at pits in the North-east and in the working North Nottinghamshire coalfields voted in favour of a strike. A handful of ballots in the militant areas of South Wales and Yorkshire had the same result.

Most Nacods officials, however, believe that the issue will not be tested. The ballot was called over NCB instructions to the supervisors that they must cross mass picket lines of the NUM.

If the strike is called, it could close the pits which have stayed open – about a quarter of the total – during the NUM dispute.

The Nacods officials believe that a vote for e strike will mean that the NCB will make concessions at talks arranged between the union and the board tomorrow.

Mr MacGregor and other board officials met senior leaders of the TUC to explain the board's position in the dispute.

Mr Peter Walker, the Energy Secretary, said yesterday that Mr MacGregor and the Government were not trying to defeat the miners.

He defended the board chairman as "a man who wants this industry to succeed" and accused Mr Arthur Scargill, president of the NUM, of making an "impossible demand."

Mr Scargill has refused to accept the board's plans to close uneconomic pits.

Unions to consider ballot rule changes

BY JOHN LLOYD

MOST of Britain's large trade unions are prepared to examine the need to change their rules in order to conform with provisions on ballots before strikes which become law tomorrow.

Provisions contained in the Trade Union Act stipulate that a union will lose its immunities from legal action if it does not hold a ballot on any industrial action which causes the union member to break his or her contract of employment. The ballot must be secret and be held within four weeks of the strike beginning.

A few unions – like the Electrical Electronic Telecommunications and Plumbing union and the British Association of Colliery Management – are bringing in changes to union rules to accommodate the Act where necessary. The electricians will be able to ballot members affected by a strike through the use of computerised records, while the colliery managers are studying the need for changes which will be recommended to the 1985 annual conference.

Others, like the Transport and General Workers' Union, the UK's biggest, have taken a defiant "business as usual" posture. Mr Moss Evans, its general secretary, said that any changes would be made by delegates to the union's rules revision conference in 1986, and not in response to the requirements of the Act.

A more numerous group of unions is playing the issue more cautiously. The General Municipal and Boilermakers' Union, the executive of which is likely to discuss the Government's measures at its meeting this week, has set up a working party to determine what moves it may make to safeguard union funds against possible attack under the act.

State aid switches towards South-east

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

COMPANIES in the prosperous South-east of England are receiving an increasing share of the Government's selective assistance to industry, while automatic grants to the traditional blackspots in Scotland, Wales and North England are being pruned severely.

Figures released by the Government yesterday show that £288.2m has been offered through a variety of schemes qualifying for selective assistance. These include the micro-electronics industry support programme, the fibre-optics scheme and the robot support programme. Just under a quarter has gone to companies in the South-east.

At the same time, automatic grants are being curtailed. Payments to the special development areas and development areas, mainly the traditional heavy-industry regions of the country such as Clydeside in Scotland, Tyneside in North-east England, Merseyside and South Wales, dropped by over a third to £438.9m in the 12 months to end-March, compared with £689.5m in the previous 12 months.

These areas are apprehensive that the Government's review of regional policy will entail further cuts in the amounts paid to them in mandatory development grants.

Dutch may win Laura Ashley's new plant

By Robin Reeves, Welsh Correspondent

URGENT discussions are taking place between government departments on a special industrial aid package to prevent a major £5m expansion project by the Laura Ashley group being shifted from Wales to the Netherlands.

The internationally recognised fashion and design business would prefer its latest planned expansion – a new 120,000 sq ft (11,148 m²) textile and wallpaper printing plant to be located at Newtown, Powys, a few miles away from its mid-Wales headquarters in Carno.

In 1982 mid-Wales lost its development area status, however, thus removing the company's eligibility for automatic regional aid and generous financial assistance under the 1972 Industry Act.

The Government's Welsh Office and the region's development agency, Mid-Wales Development (MWD), are therefore unable to match a £2m aid package being put forward by the Netherlands Government, to secure the project alongside the group's existing Dutch plant in North Brabant, a Dutch development area.

The development area status enjoyed by mid-Wales in the 1970s contributed towards Laura Ashley's rapid expansion into the biggest manufacturing employer in the region. It has seven factory units in mid-Wales employing over 1,000 people.

The proposed expansion would create up to 900 more jobs in the area over the next three to five years, provided adequate official aid to secure the project was forthcoming.

The Welsh Office and MWD are now pressing the Department of Trade and Industry to provide a special aid package under another section of the Industry Act designed to capture internationally mobile investment projects.

The signs are, however, that matching the Dutch offer will require the usual ceiling of 20 per cent of the value of the project to be exceeded. Any government financial offer may also require the approval of the EEC Commission, which has legal power over the level of state aid to industry.

Mr John James, the group's managing director, said yesterday that a decision on the location would have to be taken within the next month. The new plant is due to come on stream in autumn 1986.

The company rules out locating the project in one of Wales' remaining development areas. "It is not our fault that silly lines have been drawn on maps," Mr James commented.

Unless the Dutch offer was matched, the company would take up the offer in the Netherlands where it already owned land suitable for the expansion. But such a move would raise questions over the long-term future of the company's activities in mid-Wales.

"The Carno operation will continue but will grow obsolescent because new machinery will go elsewhere," Mr James added.

Detailed laws to control City still an option, says Tebbit

BY SUE CAMERON

THE GOVERNMENT has still not ruled out the introduction of tough, detailed new laws to control London financial dealings, Mr Norman Tebbit, the Trade and Industry Secretary, said yesterday.

At a Confederation of British Industry (CBI) conference in London he stressed, however, that he favoured "self-regulation under clear guidelines backed by statute – if it can be achieved."

Self-regulation would best fit with his policy objectives for the City of London. At the top of the list of objectives was that the City should provide a competitive service to UK industry and commerce and to the Government. Such a service needed to be internationally competitive.

"To achieve that, I believe that the London financial markets must be given the maximum freedom to compete and to innovate while ensuring that London is recognised as a clean place to deal.

"That is the best way of reconciling the provision of competitive financial services with investor protection. I also believe that this requires both a framework of maximum disclosure of market information and tough sanctions against fraud."

Mr Tebbit: no decision

All the advice coming to him tended to reinforce his preference for self-regulation rather than for "more direct government intervention," but he stressed that he had yet to take a decision.

Mr Tebbit said he would be discussing the issues with Mr Robin Leigh-Pemberton, the Governor of the Bank of England, and with ministers in "the next few weeks." A government policy document (White Paper) would be published before the end of the year and the Government aimed to introduce new legislation in the 1985-86 session of parliament.

At the conference, held by the employers' federation to discuss the work of the Department of Trade and Industry, Sir Terence Beckett, director general of the CBI, called for the "highest priority" to be given to reducing non-tariff barriers in Europe.

"We all know the difficulties caused by red tape, technical requirements, labelling and so forth," Sir Terence said. "But I begin to doubt the commonality of the market when a lorry driver has to produce 27 pieces of paper in order to drive from West Germany to Italy."

Sir Terence also called on Mr Tebbit to provide UK exporters with "the same level of support given our competitors by their governments."

Nimrod snags delay RAF plan

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

PLANS to modernise Britain's air defences will be delayed by at least another year after the discovery of defects in the complex radar systems for the new Nimrod early-warning aircraft.

The RAF was to have formally accepted the first of 11 AEW Nimrods from British Aerospace yesterday, but the handover was postponed after trials in which the aircraft's complex avionics and radar systems, designed by Marconi Avionics, failed to perform satisfactorily.

According to senior officers the RAF still hopes to be able to accept the first aircraft by the end of the year and at least two or three further aircraft next year. Only when the RAF has three or four aircraft can it start training for the aircraft's 10-man crews.

Officers acknowledge that it is vital for Britain's defence and dedicated to Nato, become operational. That would be two years later than originally planned when the Nimrods were ordered in 1977.

The AEW Nimrod is described as the most complex airborne system yet put together by British industry.

The aircraft depends on complex electronic, data processing and communications systems. According to defence officials this whole system has yet to "shake down" to the RAF's satisfaction, rather than the radar alone being at fault. There is no doubt the RAF is disappointed and the Ministry of Defence and the companies embarrassed at the delays.

The delays will mean increased costs for the ministry. Each Nimrod is believed to be costing upwards of £100m. Contracts with the companies are on a cost-plus basis, which means essentially that the ministry foots the bill for any overruns.

The RAF will meanwhile have to continue to patrol Britain's costs with its ageing Shackleton aircraft.

Panther plans issue of shares to fund sports car launch

BY JOHN GRIFFITHS

THE SOUTH KOREAN owners of Panther Car Company plan to offer 20 per cent of the equity in the UK specialist cars producer on international markets.

The move by Jindo Industries, an industrial group with $140m a year turnover, is intended to help pay the expected £650,000 to £750,000 development costs of a mid-engined sports car which Panther is to unveil at next month's Motor Show in Birmingham.

The car, code-named EM25 but expected to be called the Solo, is intended to transform Panther from a producer of 1930s-type replica cars into a modern sports car maker along the same lines as Lotus.

Whereas Panther expects to build only 620 of its current Kallista model this year, its chairman, Mr Young Chull Kim, expects EM25 output to rise to 2,500 a year after full production starts in 1986.

Of these, about 1,000 are planned to be built at Long Beach, California, by Jindo Bertolini, a Korean-U.S. joint venture subsidiary currently engaged in making container chassis. The EM25 would provide incremental sales to the Kallista, production of which to continue the timing of the equity offer has yet to be decided, but with £200,000 scheduled to be spent on the project by the end of this year – so far financed internally – it is unlikely that Panther would want to delay the offer beyond the end of 1985.

The EM25 investment compares with an expected turnover for Panther this year of about £5.1m. Of this, only about £3.5m to £3.6m will come from Kallista production. The remainder will be from a conversions and coachbuilding operation resurrected after Jindo spent £300,000 rescuing Panther from the Receiver in 1980.

The remaining funding for the EM25 is expected to be organised through South Korean bankers.

Panther remains reliant on its Jindo parent for viability. The Kallista's bodies, in aluminium, are fabricated in Jindo plants near Seoul and are shipped to the UK in containers built by Jindo Containers, a group subsidiary which makes about 40,000 containers a year for delivery all over the world.

The Korean-sourced body accounts for about 27 per cent of the Kallista's material content, excluding UK overheads such as plant and labour.

If it had to rely solely on UK sources for parts, Mr Kim said yesterday, Panther would build only 250 cars, and charge higher prices than the £9,820 for its 1.6 litre model.

Production of the EM25 will be treated in similar fashion to the Kallista. In the case of U.S. production, mechanical and trim kits will be shipped from the UK but the bodies will arrive in California directly from Korea.

The EM25 is expected to sell for £10,000 to £12,000 in the UK, and for $18,000 in the U.S. Panther is already setting up dealer networks in the U.S. and will prepare the ground for the new Panther by launching the Kallista on the North American market in March.

Ford power units, notably that fitted to the Escort XR3i model, will be used on the EM25, as is the case with the Kallista.

From having just a handful of employees after the takeover, Panther has built up to 162. Earlier this year it opened a second factory at Byfleet, Surrey, with a capacity of 16 Kallistas a week.

Maxwell pursues rival bid for North Sea yard

BY DAVID LAWSON

THE OFFICE of Fair Trading (OFT) heard yesterday that Mr Robert Maxwell was continuing his £16m bid to take over the RGC North Sea construction yard in Scotland which British Steel has contracted to sell to Trafalgar House.

The OFT said Mr Maxwell's representatives had been in touch about the Fife yard and it was waiting for further details. The move is being made through the Daily Record and Sunday Mail newspaper group – acquired by Mr Maxwell with the Daily Mirror group – which wants to diversify its surplus resources in Scotland.

Trafalgar House said yesterday: "Mr Maxwell can go to the OFT like anyone else to talk about our deal, but in order to bid he has to have a deal with British Steel.

"We had an unconditional option for several years which we have converted to a contract for completion on October 1."

Bank branches reduced

BY OUR FINANCIAL STAFF

THE LONDON and Scottish clearing banks shut down more than 100 branches last year, further narrowing their lead over the building societies (saving institutions which lend money for house purchase). The societies opened nearly 200.

The clearers ended the year with 12,647 branches, down from 12,772 in 1982. The building society branches rose from 6,480 to 6,672.

According to Noel Alexander Associates, the banking consultancy and research firm which compiled the figures, there are now 190 clearing bank branches for 100 building society branches, compared to a ratio of 357 to 100 in 1976.

The growth in building society branches is, however, slowing. Last year's rise of 192 compares with over 500 in 1980.

Workforce cut at STC factory

BY JASON CRISP

STANDARD Telephones and Cables (STC) is to cut 450 jobs at its Brighton factory, where it employs just over 900 people.

The company told the workforce yesterday that demand for the products made at Brighton would be insufficient next year to maintain employment levels. The main product made at Brighton is a teleprinter, which is sold by British Telecom and by STC.

THE ARTS

Russian choral music/St John's

Not content with being one of the best young choirs in the country, James Wood's New London Chamber Choir has a voracious appetite for challenges. At St John's, Smith Square, on Saturday, with enlarged numbers, they inaugurated their new season with two works by the Russian Alfred Schnittke, one recent (a British première) and one much earlier, and the complete Rakhmaninov *Vespers* in Russian. Lovely performances all, and the more impressive because the expanded choir boasted the exact, sensitive line and the near-faultless intonation that have distinguished the original smaller team since it was formed.

Both the Schnittke pieces bear (perhaps defiantly) German titles, and the recent *Minnesong* is actually based on medieval lyrics from the Minnesinger tradition. Fifty-three solo voices make a liberal polyphony with 20 of the old songs, at various speeds and in skewed rhythms, overlapping in canons or just brought into confrontation. The effects are sometimes piquant, sometimes forced (but never rudely), generally mellifluous—the dissonances are of the gentlest kind. At a quarter-hour length, the game seemed loose-structured: it develops amiably for a time and then stops, without having found its way through any clear centre.

Page by page, the combinations are charming, and the Choir made everything translucent. So they did in the 1972 *Stimmen der Natur*, a much shorter and far more schematic exercise for ten female voices and a vibraphone, scarcely more than a matter of climbing a scale in very slow, uneven steps toward a few plaintive triads at the top.

The New London account of Rakhmaninov's *Vespers* was astonishingly accomplished, with solid basses equal to everything but the deepest note or two. Susan Tyrrell was smoothly sombre in the contralto solo, and the tenor John Potter brought a sharp personal quality to his music, well-found and effective. But the vitality and pungent variety of the whole performance counted most: Wood secured floating, radiant tone whenever needed, and grand full-voiced climaxes, but he was not afraid to make the vocal rhythms crisp and frank. Stravinsky's *Les Noces* often seemed close at hand—pious icons are not, after all, the whole story. Some self-conscious touches in phrasing brought out the secular romantic in the composer. I came away persuaded that the *Vespers* is a far richer tapestry than I'd realised.

David Murray

New British sculpture in London galleries/William Packer

Body-building exercises the sculptor's mind

Ever since the war, however high or low our reputation for modern art in general might be at any particular time, our name for sculpture has remained an international byword for excellence and adventure, a rare constant in a fickle and changing world. "Ah, the British, always so lively and interesting, such good young sculptors," goes the habitual chorus of praise, acceptance and expectation.

At Riverside Studios, Anthony Gormley is showing some of his latest work. His sculpture has always been figurative in that *whatever he has made* is a clear representation of something though it be but a lump of lead—which is, in any case, his preferred material. In recent years it has become ever more self-centred, quite literally so as he has moved on from a punning and associative but generalised conceptualism to work that is taken directly from the reference of his own body.

He takes casts of himself, with gesture or disposition appropriate to his particular intention. From that mould he then takes not any obvious and faithful image, for his is no exercise in naturalism, but makes up a shell or case using sheets of lead, with the soldered seams left clearly visible and even celebrated, as though to emphasise the physical entity and manifest peculiarity of each work and to put himself again at a certain remove from it. *Each monikin image is* thus an anonymous and generalised human symbol, curiously close in kind and feeling to the inner case of a mummy, even to the mummy itself, formed outwardly as it is by the wrapping up of the body with which it is identified, yet impassive and ambiguous, known more by given or hinted information than by representation.

Sitting, standing, lying, kneeling, curled up into a ball, the usual Gormley figure takes up a consciously hieratic or at least portentous attitude; and indeed one of these new works, though it remains as yet untitled, makes an inescapable genuflection to the great formal tradition in *Christian sculpture of the crucified Christ*, hung high on the wall in classical simplicity with arms outstretched, albeit without the cross and with a group of bowls set out on the floor below for the figure to confront and contemplate.

With much of the other work there appears to be a development towards an open and declared surrealism, whether it be surreal in its grotesqueries or exaggeration, in the combination of its several parts, or in its simple, witty improbability.

Roger Taylor

Home thoughts—Anthony Gormley

A large lead cloud weighing half a ton hovers darkly 6 ft or so above the head of whoever dares to enter the gallery. An outsize head lies on its ear, not shattered quite, but with a certain Ozymandian authority to it even so.

At 34, Gormley clearly is something more than a coming man: an artist of power and quality in his work who is unlikely to go away. Signs are that his work, varied as it is within certain limits, is developing still, and he would seem to have the nerve to let it lead him on. But to say as much is not to single him out as the only one to watch in his generation, and least of all to suggest that youth alone should command serious attention. Quite the reverse.

It happens that Juda Rowan has a small, choice show (until October 25) of new work by five sculptors associated with the gallery, all of it abstract and all of it restrained, elegant, thoughtful and indeed rather beautiful. Phillip King's one piece is the single most extraordinary work in the show, and a fine demonstration of all his qualities. His ability to combine disparate elements into a coherent whole, his knack of working elegant variation upon formal invention, his curious gift of romantic, unexpected and ambiguous romantic association and implication. His "Bullgale-In" is a wooden arabesque of an arch, a trophy from who-knows-what demolition, with its feet set into modelled puddles of cast bronze, and beneath it a post or bollard of sorts consisting of bent pipes that might once have been the insides of a slim boiler sitting upon a circular base of coiled cable, and a chain-link border broken by four metal handles. It occupies the gallery with all the self-possession of an ancient, long unspecific monument.

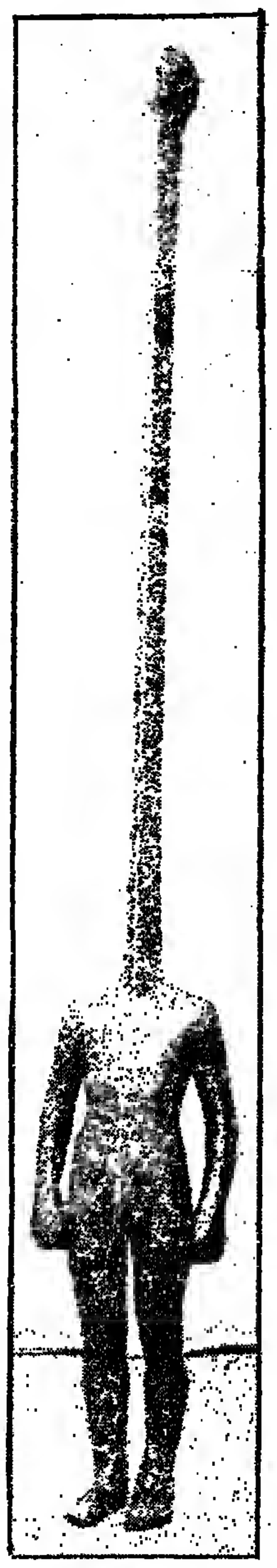
Nigel Hall shows two new reliefs. They invade the space of the room and articulate the surface of the wall as positively as ever, and are physically as light and slim and actually insubstantial, yet they now appear more compacted, denser, their structures more solid, the images oddly more weighty and authoritative. Hall has not shown enough in this country for too long, though he has enjoyed phenomenal success abroad.

George Meyrick's reliefs are the simplest of the works here, functions of a modest, unassuming constructivist method, the formal logic of cuts and folds and shifts imposed upon the plane surface of his material resolved into quietly intriguing images, full of subtlety and variety: and they too, even more than Hall perhaps, demonstrate that imaginative authority in no way depends upon material scale or substance.

That might, indeed, be taken as the point of the entire show, for June Green's floor pieces, slabs of slate gently modified into scalloped discs and ovals, as they might be a section through fruit, or schematised clouds, are quite as ambiguously intriguing. And Garth Evans' reliefs, more complex and eccentric than Meyrick's though sprung of the same method, more consciously worked in their material than Hall's, also show how beautiful such deceptively simple things can be.

Paul Neagu is English by adoption but he has been active here for many years past, and any new show of his work must be of interest. Now at the Curwen Gallery (in Windmill Street, off Charlotte Street—until September 29) he shows how far he has taken the themes and images with which he was preoccupied at the time of his ICA retrospective five years ago, with the tripods and the broken star reliefs, then quite distinct and all made of wood, here brought together into single works, some of them cast in bronze, and set into triangular, integral footings.

Shelagh Cluett shows her new work at Nicola Jacobs (until October 13), the major pieces now free standing but as engagingly flimsy and precarious as ever, challenging our preconceptions of what serious sculpture should be by their delicacy, and the implications *of impermanence*.



Gormley sculpture

French Knickers, Glasgow Citizens

Having produced *Rosenkavalier* without the music, the Glasgow Citizens honour another libretto, written by Offenbach's collaborators Meilhac and Halevy for *La Vie Parisienne*. But Philip Prowse's production, as befits knickers, has a little more elastic in it: much of the music is retained, played rather well on a piano by Derwent Watson and sung with a notable absence of lyricism or *floritura* by an acting, rather than a singing, company (it is relevant to recall, perhaps, that Offenbach's troupe at the Palais-Royal in 1866 were actors first, singers last, with the exception of Zulma Bouffar imported to play the glover Gabrielle).

So this is brutalised Offenbach where the Second Empire most definitely strikes back. The pianist is an old railway porter, and Mr Prowse's design is a welting room rotunda, a fantasised Gare de l'Ouest of metal staircases and lists of destinations on the cyclorama. The melancholy sound of pistons, creaking steel, all the gloomy paraphernalia of a station at night, punctuate the action.

Even by Citizens standards, this is fairly outrageous. The lyrics have been well translated by Geoffrey Dunn, however, and the main theme of the operetta, the tricking-of gullible tourists by the impoverished boulevardiers, Raoul and Bob, first in a "pretend" hotel, then in their amorous requirements, culminating in a whirling hymn to the *vie parisienne*, is vigorously honoured.

Robin Sneller is a sly, insinuating Raoul and Laurance Rudic, resembling on this occasion a cross between Vesta Tilley and Lord Snooty, his quick and inventive colleague. The sluts and punters who decorate the periphery in black clothes and lipstick are magically transformed into the "guests" in the hotel (which is still, of course, the waiting room) and the chorales and finales, with their polka and gallop rhythms, are spiritedly done. No trouble, either, with the lovely nonsense item "Does he know he's splitting down the back?" addressed to Mr Rudic disguised as a ridiculously Napoleonic Swiss admiral.

Other Gilbertian numbers fare less well. It is good to see the rumbustious Patrick Hannaway back in action here, but he makes a pig's ear of "Ja suis brésilien, j'ai de l'or," a precise comic patter number. Cleverly, the Brazilian disguises himself as another of the original's tourists, Frick, and Mr Hannaway leads the yodelling from atop the piano.

The visiting Swedish aristocrats are transformed by Paul Rhys and Roberta Taylor into a pair of somewhat heavily articulated English country nincompoops, togged out in black riding gear and shouting their lines through not just clenched teeth but also clenched jaws. In swaggering contrast is the languorous Metella of Fidelis Morgan, who takes apart both the letter and the waltz songs, dissecting them for black and melancholic meaning while Mr Watson takes care of the melody.

The only theatrical exercise comparable to this production must have been the Peter Brook *Carmen*. I doubt if Mr Prowse is suggesting great depths of hidden meaning in Offenbach, but in creating another of his distinctive, blowzy and diverting scenarios, he certainly makes you consider the work afresh, or at least aghast. Yolanda Vasquez is a coquettish punk-haired Gabrielle and the lighting, admirable as always, is by Cerry Jenkinson. This is a short, three-act evening of two hours, with no room for the tender loveliness of a duet like "L'amour est une échelle immense." C'est la vie, c'est la guerre.

Michael Coveney

Giulini's Brahms/Festival Hall

David Murray

During the next week Carlo Maria Giulini will take the Philharmonia Orchestra through the four Brahms symphonies, but on Sunday he introduced this mini-festival with the "Tragic" Overture and the *Deutsches Requiem*. The overture was strongly articulated, plain and forthright—no special surprises there (not even the excellent form of the Philharmonia).

Giulini's approach to the Requiem was immensely respectful, but not over-deliberate: it was a relief to discover that the glacial tempi with which he likes to honour Mahler were not to be echoed here. It was nevertheless a refined rather than a robust reading, softened further by the mumbled German of the Philharmonia Chorus (their proficiency in that language seems to have declined), who were in any case required to sing almost *mezza voce* for long stretches of the work. The fugues on "Der Gerechten Seelen" and "Herr, du bist würdig" were allowed to make a fine blaze in what was otherwise a landscape of grey and silver; even the forceful directness of "Denn alles Fleisch" was removed to a certain aesthetic distance.

In short, the Requiem became temperate and elegiac, with its currents of healthy anger and even bitterness tamed. Giulini preserved a curiously even pulse everywhere (and a suave, unobtrusive bass line, which may have accounted for the often un-Brahmsian sound). The delicate balance of his Philharmonia strings was generally beautiful; the harps were given slightly sentimental prominence. Where the music really is coolly elevated, Giulini was in his element, and the two last sections of the score floated exquisitely.

The Greek Passion/New Theatre, Cardiff

Rodney Milnes

There are few more heart-warming occasions than when an admired opera production turns up after a long gap as fresh and inspired as when it was new. Such is the case with the WNO's revival of Martinu's opera. It was pole-axing in its theatrical impact in 1981—and how refreshing it is, after so many admittedly fine operatic evenings dealing with individual neurosis, to see a work that is not afraid to tackle human issues on a global scale—and so it is now. It has been restaged by Michael Geliot (and remains, I believe, his best work for this company, or anywhere else for that matter) and John Gunter's atmospheric sets have been magically re-lit by John Waterhouse. It looked quite marvellous.

The opera has been almost entirely re-cast, but miraculously retains its sharpness and balance of characterisation. Jeffrey Lawton (Manolios) has the same noble simplicity and integrity that John Milchinson brought to the role of the Shepherd-Christ three years ago, and his sturdy tenor has a similarly burnished, baritonal quality. Simplicity, and that rarest of operatic (and indeed human) qualities, sincerity, also inform the performances of Richard Morton as the peddlar Yannakos and Christine Beasley, a newcomer, vibrant though slightly unvaried of tone, as Katerina-Magdalene. John Tranter finds the right shiftiness and bluster for the time-serving priest Grigoris, and as his antagonist Fotis, William Mackie fields warm tone and a fine sense of line. As before, David Gwynne's Old Man and Catherine Savory's travesti Nikolios are notably successful.

The WNO Chorus seize upon their double assignment with characteristic fervour under Anthony Negus who, if memory serves, takes a slightly broader view of the score than did Sir Charles Mackerras: it unfolds grandly, naturally and—it must be admitted after the adjustments to the pit—rather too loudly on occasion: the brass, though gloriously mellow in tone, does tend to take over.

The company has also revived Elijah Moshinsky's intelligently conceived production of *Ernani*. I hope it is not a contradiction in terms to say that this was a rip-roaring, provincial performance, yet highly enjoyable. Early Verdi can do with some good honest vulgarity, and this Lando Bartolini (Ernani) and Mario Rinaudo (Silva) supplied in generous quantity.

By contrast, Donald Maxwell was almost too fastidiously elegant a Carlo, lacking just that extra ounce of tonal weight to make him a genuine Verdi baritone. The discovery of the interestingly cast evening was Aprile Millo (Elvira), an American soprano with authentically steely *spinto* tone, wide range, sufficient agility and stamina.

Jessye Norman/Covent Garden

Max Loppert

Miss Norman's latest Covent Garden Celebrity Recital, on Sunday, was given in aid of the David Niven Campaign for the Motor Neurone Disease Association. It was an act of generosity matched by the singer's way of delivering herself to her public (in this case, ecstatic)—wholehearted and unsparing. The generosity did not, perhaps, extend to matters of programme provision. Twelve songs in the first half and nine in the second, spaced out with a long interval and with many meditative pauses between songs, hardly count as overwork.

It was an event about which the curmudgeonly critic would prefer to keep silent. Yet past respect and admiration for the artist compel me to report my feeling that, on the evidence it provided, she has gone seriously adrift as a song recitalist. How Miss Norman laid on the interpretation! Everything seemed persistently inflated, overdone — phrasing shapes and touches of verbal inflexion, choice of dynamics.

The simpler the song—and the second half, containing Ravel's Five Greek Folk Songs and four Satie *mélodies*, was all simple song—the more elaborately contrived appeared the chosen interpretative mechanism. In one or two of the opening Wolf Italian Song Book selection, notably the concluding "Ich ha bin Penna," it was almost as though a gigantic artistic steamroller had been brought into service to crack a few hazels. The sensation was increased, especially in the Wolf-Straus first half, by the impression that the soprano was not in her best voice.

One would never accuse Miss Norman of insincerity. Everything she does, she feels, strongly and fully. But her judgment of the scale, proportion, and style of a song seems to have gone faulty.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 21–27

Opera and Ballet

ITALY

Lucca: Teatro Giglio: To mark the 60th anniversary of Puccini's death, La Fanciulla del West, conducted by Romano Gandolfi, with Radmila Bakocevic, Silvano Carroli and Giuseppe Giacomini. (46147).

Venice: In the vast, de-consecrated church of San Lorenzo, the world premiere of a new opera, Il Prometeo, by Luigi Nono – described by him as an electronic-age fairy tale. The church has been transformed for the occasion by the architect of the Pompidou centre, Renzo Piano. The conductor is Claudio Abbado. First night Tue, repeats on Wed and Fri. (704482).

NETHERLANDS

Elektra, performed by the Netherlands National Opera, at the Amsterdam Stadschouwburg Theatre. (020) 242311.

LONDON

Royal Opera, Covent Garden: Tannhäuser, an opera notably unluckly in previous Royal Opera stagings, is given this week its third postwar production at Covent Garden. Elijah Moshinsky produces, Colin Davis conducts, and the cast includes Klaus König, Gwyneth Jones, Eva Randova and Thomas Allen. Last performances of the fascinating new Turandot, with Ghena Dimitrova in the title role; more of the Tosca revival, with Mara Zampieri and Giacomo Aragall. (240 1066).

PARIS

Jacques Offenbach: La Perichole is being played at the Théâtre des Champs Elysées (7234777).

The Rosegarden – Pierre Segher's spectacle of Persian music, paintings and poetry produced by Pierre Chabert (Thur). Théâtre de la Ville (2742277).

BRUSSELS

XX Century Ballet directed by Maurice Béjart. Messe pour le temps Futur. Cirque Royal (2162015).

VIENNA

Staatsoper: Un Re in Ascolto conducted by Schirmer with Armstrong, Adam and Moser, Lucia di Lammermoor conducted by Graf with Gruberova, Slania, Bonidolli, Bone and Bogart; Der Rosenkavalier conducted by Schneider with Janowitz, Wise, Rysanek; Don Giovanni conducted by Hager with Vaness, Mathis, Raimondi. (5324/2655).

WEST GERMANY

Frankfurt, Opera: Der Türke in Italian is conducted by Volkmar Olbrich. Capriccio has Helena Döse as Countess and Hans Helm as Count. There has been much applause for Berlioz's Die Trojaner. Gail Gilmore is making her debut as Kassandra. Eugeo Onegin is worth a visit with Helena Döse and Benjamin Luxon. (25621).

NEW YORK

New York City Opera (New York State Theater): A full week of mixed repertoire features this week Madame Butterfly and Turandot conducted by Christopher Keene, Rigoletto conducted by Mark Flint, and The Rake's Progress in a new production designed by David Hockney, conducted by Christopher Keene and starring Erie Mills, Joy Davidson and Jerry Hadley. Lincoln Center (8705570).

WASHINGTON

Maria Benitez Spanish Dance Co (Terrace): Mixed programme (Wed, Thur). Kennedy Center (2549895).

TOKYO

Tales of Hoffman (in Japanese): The Nikkai Opera in a new production, the collaboration of Keisuke Suzuki, Japan's best-known opera director, and Seiji Ozawa (the latter supervised a recent production in Paris). Title role will alternate between Makoto Hayashi and Korea tenor making his Japanese debut, Chung Kwang. This is Ozawa's fifth staging of opera in Japan, his commitment to popularising it in his native country. Tokyo Bunka Kaikan (Tue, Wed) (8639151, 5711666).

FINANCIAL TIMES

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Tuesday September 25 1984

U.S. goals in Lebanon

THE UNITED STATES, after bitter experience, has come to appreciate this year one of the basic realities about politics in Lebanon. After consulting with colleagues in Beirut on the aftermath of last Thursday's atrocity at the embassy annexe in east Beirut, Mr Richard Murphy, the U.S. Assistant Secretary of State, headed immediately to Damascus for talks with Syrian leaders.

Mr Murphy, who has a better understanding of Arab governments than some more senior officials in Washington, has already credited the Syrian regime with playing a helpful role in the continuing efforts to achieve national reconciliation in Lebanon.

Two objectives

Whatever suspicions the U.S. Administration may have on possible Syrian involvement in the embassy attack they have not been voiced publicly. Instead of issuing futile threats of retaliation against an only dimly perceived enemy, the Administration appears to have kept its eye fixed firmly on two longer-term objectives in Lebanon — constitutional reform and the withdrawal of Israeli troops from the south.

Both are very much in the U.S. interest. A stronger, more confident central government in Beirut must be the best hope of restoring the rule of law to the capital, while the credibility of the new government of national unity in Israel will in part be judged by the manner in which it manages to extricate itself from its costly occupation of the south.

Last Thursday's other atrocity in Lebanon — the murder of 13 villagers in the south by members of the so-called South Lebanon Army — emphasises just how difficult a task it will be. The South Lebanon Army is entirely a creature of Israel. Its soldiers are trained, equipped and paid for by Jerusalem in the hope that they will gradually take over more security duties in the south and provide a buffer zone to ensure the safety of northern Israel from cross-border attacks.

Their excesses last week help to explain why professional Israeli officers place so little faith in the SLA as an even partial solution to the northern border problem. It may also explain why Mr Yitzak Shamir, former Prime Minister and now Foreign Minister of Israel, should at the weekend have been urging the U.S. to act as a bridge to Syria over withdrawal plans.

Such exhortations will bear little fruit if Israel is unwilling to countenance paying at least part of the price which Syria is certain to demand for its co-operation. Since June 1982, when Israel invaded Lebanon, Syria has insisted that it should not reap any political benefits from its military action. To that end President Hafez al-Assad successfully wrecked the Lebanon-Israel withdrawal agreement and put pressure on the multinational peacekeeping force to leave Beirut.

He is unlikely to prove any more co-operative this time without an agreement by Israel to move its artillery from the Bekaa Valley, from where Damascus is easily within range, and to effect an almost total withdrawal from the south. Indeed Mr Assad may even judge that unless he is able to score a comprehensive reversal of the Israeli occupation it is in his best interests to allow the present situation to persist.

However this should not deflect American diplomats and the U.S. Administration from the goal of building on what is after all a shared Syrian-Israeli objective.

Fortuitous timing

There is no doubt that Mr Shimon Peres, Israel's Prime Minister, wants to get out of Lebanon as fast and with as good grace as is possible. He will also shortly be seeking substantially increased U.S. aid payments to ease his country's economic crisis. Such fortuitous timing could assist the diplomatic process particularly if Mr Peres is willing to look rather more positively at an expanded United Nations role in southern Lebanon.

The UN force on the Golan Heights has for several years acted as a highly successful buffer between Syrian and Israeli armies. The Interim Force in Lebanon also performed creditably in more difficult circumstances before Israel's invasion. Despite Israel's well known reservations about such forces, they are far preferable to any of the alternatives on offer. If at least that lesson can be drawn from last Thursday's events, Lebanon will have taken another small step forward.

Indictment of the rating system

MR KENNETH BAKER is in for a shock as he settles himself into his new role as Minister of State for Local Government. Arriving from a job whose entire rationale was the pursuit of technical excellence and forward-looking efficiency Mr Baker will now be confronted with the crumbling system of local government finance, newly condemned by the Audit Commission as being technically deficient to the point of being almost inoperable.

Mr Baker's most obvious immediate task will be to bring a little sophistication and agility tothe Government's defence of its hasty proposals to abolish the Greater London Council and metropolitan county councils. But as Minister of State Mr Baker has other responsibilities, the principal of which is Britain's system of local government finance. The Audit Commission, set up by the Government to ensure better financial and value-for-money practices and to oversee the proper accounting for a quarter of all public expenditure, has no doubt that the system is in a state of collapse.

Draconian penalties

In its first major report the independent commission has confirmed all of the most serious criticisms levelled in recent years against the Government's increasingly incomprehensible and contradictory methods of setting a multitude of expenditure targets for councils together with draconian penalty systems.

In some ways the commission has devalued its own report—by adopting a racy and polemical style, for example, and by omitting to publish most of the statistical research data needed to validate its findings. Nevertheless its conclusions are a clear signal to the Government that radical remedies are needed and that no more hasty bits-and-pieces tampering can help a flawed system.

The commission has identified the three key defects. The uncertainties associated with the present arrangements for distributing block grant to local authorities are now leading to higher rates than necessary—£400m a year more than necessary; a potentially sound grant distribution scheme is being weakened by superimposing expenditure targets and penalties and by the use of inadequate information; and the incentives necessary to encourage local authorities to operate more economically and efficiently are not in place. This is a damning indictment.

What to do? The commission is not required to suggest solutions so much as to identify faults, but it is disappointingly short of ideas. It simply endorses the most obvious improvements, such as the quick abandoning of expenditure targets (already the aim of environment ministers if they can finally get the Treasury to accept their arguments, and the need for a better approach to budgetary planning. It suggests three-year expenditure programmes in place of the present one-year system, with its unpredictable mid-year revisions.

What the commission fails to confront squarely, however, is the fact that the rating system is inadequate to support local government services. Too hefty a burden falls on too few shoulders. Until the tax base is somehow widened so that more people find themselves paying a real (and often painful) contribution to the services for which they vote, there can be neither improved accountability nor an equitable and effective way of funding local government.

Stonewalling

Mrs Thatcher has been trying for years to find a satisfactory replacement or reform for the rating system. The Inland Revenue has indicated that within two years it will be fully able through computerisation to operate a system of local income tax to supplement a revised and reduced property tax.

It is high time, then, for the Government either to show why it thinks this would be even worse than the current system or to produce something better.

A new incentive is that the Comptroller and Auditor General and the Public Accounts Committee are likely to give close and serious attention to the Audit Commission's report. Further government stonewalling on these issues will not be an adequate reaction.

RECOVERY AND BRUTALITY

A tale of two Ugandas

By Michael Holman, recently in Kampala

AT THE Igara tea factory, set in the rolling green hills of Westero Uganda'a Bushenyi district, workers describe the ways in which life has been getting better. Goods are io the shops, their children at school, and the countryside is safe.

Some 200 miles to the north east, at Busunju transit camp in the notorius "Luwero triangle," a 14-year-old youth describes how Government forces ransacked hia village. Of the 400 villagers, about three-quarters died, the boy estimates, either at the bands of the soldiers or of disease and malnutrition in the bush into whicb they fled.

The accounts illustrate tha two Ugandas: a country which is gradually recovering from the ravages nf the rule nf Idi Amin, and the liberation war which toppled him in mid-1979; and the dark side of a government which has launched a badly trained, ill-disciplined army on a brutal campaign to eliminata the Natinnal Resistance Army (NRA) guerrillas, in the course of which scores of thousands of villagers bave died. Thousands more bave lost their lives in the north-east Karamoja district, where villagers have been caught up in the conflict between armed cattle rustlers and Government troops.

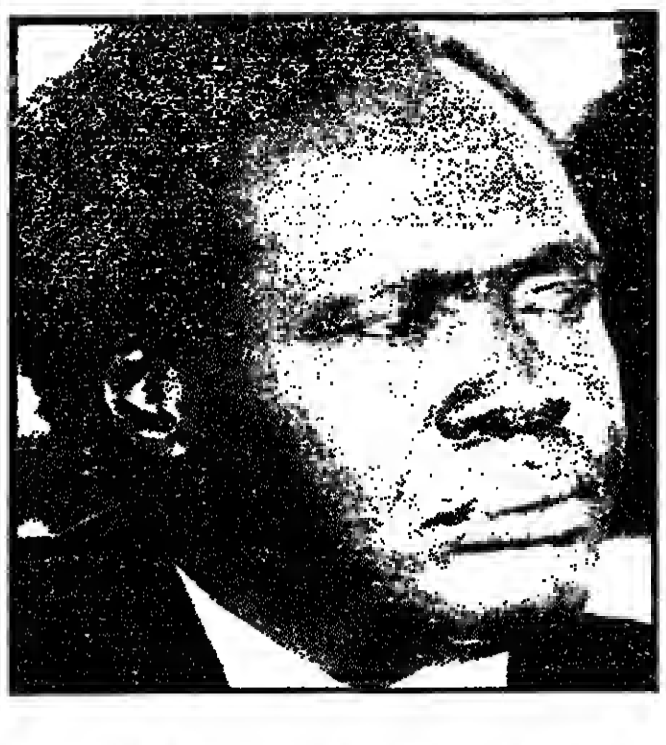
The danger for President Milton Obote, who won back office in December 1980 after nearly nine years of exile, is that the security problems impede the country's economic recovery, in which the International Monetary Fund and the World Bank have played major roles, and ultimately threatens his own position.

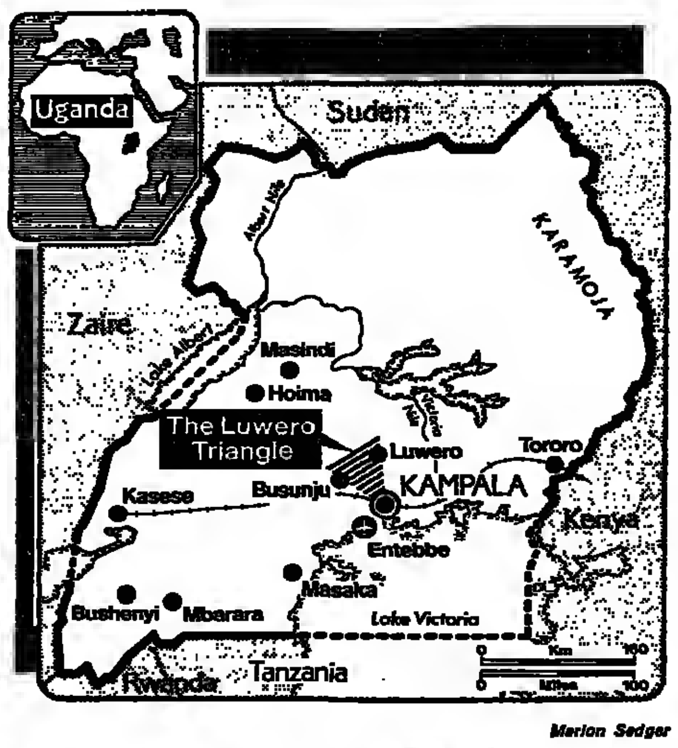
For Western governments which have supported Uganda's recovery programme, the brutality poses an acute dilemma: whether to continue their economic support — as Britai nhas done—in the bope that behind the scenes representations will carry more weights, or—as the French Government has already done—suspend aid and accept the possibility that the probable subsequent economic deterioration could plunge the country into disarray.

The roots of the security problem go back to the 1960s. President Obote, determined to strengthen central government authority, ended the powers of the five traditional kingships of which the most notable was the Baganda, the country's largest single tribe (sbout 18 per cent of Uganda'a 14m population) living in the south and around Kampala.

Mr Obote, himself a Lango from the north, was never forgiven and it was one of the reasons that the streets of the city were lined with cheering onlookers when Amin took power in the 1971 coup.

There is also resentment over the conduct of the 1980 elections which returned Mr Obote to power, and which were held under the auspices of a military commission dominated by Mr Obote's supporters. Although endorsed by a team of Commonwealth officials, irregularities before and during the count left many observers sceptical about the outcome, which gave the Uganda Peoples Congress (UPC) a majority.





Marion Sedger

President Obote: a turn-around in the balance of payments but the road to recovery is long and painful

The combination of a disaffected local population and a disputed election result gave the guerrilla groups that sprang up both a potential source of support and—in their eyes—justification for a hit-and-run campaign condncted mainly in the so-called Luwero triangle, a hilly, densely forested area lying approximately within the boundaries formed by Kampala and the roads to Luwero and Hoima. It is the stronghold of the dominant guerrilla group today, the NRA, led by Mr Yoweri Museveni, a former Defence Minister in his late 30s.

The post-election period was marked by a series of economic measures which pnt the country on the path to recovery—despite the legacy of violence and banditry and a poorly and irregularly paid army whicb lived off its takings at road hlocks.

President Obote took power in the wake of 18 months of disarray nnder two civilian leaders and the military council. Mr Obote, who is also Finance Minister, soon brought his authority to bear. He devalued the Uganda shilling, increased cash crop prices, reduced the flourishing currency black market by introducing a two-tier exchange rate in which Government auctioned some US$2m-US$3m a week to the highest hidders, and curbed money supply.

It was a programme which, drawn up in close consultation with tha IMF and World Bank, has hrought some remarkable results. Coffee exports (the main foreign exchange earner) which had dropped from the 1972 peak of 214,000 tons to 109,000 tons in 1980, have climbed to 144,000 tons last year (limited by tha size of the quota allocated to Uganda by the International Coffee Organisation), while stocks accumulated over the years have reached around 180,000 tons.

Although still below their pre-Amin peaks, ontput of tea, cotton and tobacco is rising. The country is aelf-sufficient in basic foods, although a major relief operation will be required in the drought-affected Karamoja. Increased exports produced a turn-around in the halance of payments, $32m in surplus in 1983-84 compared with a deficit of $92m the previous year.

Thus when presenting his hudget last June, President Obote was able to point to a 7.3 per cent increase in real GDP last year (a real per capita growth of 4.3 per cent—though income is still harely two-thirds 1971 levels).

> Western governments face a dilemma: whether to continue their support, or suspend aid and risk economic disarray

There are, nevertheless, some serious weaknesses in the recovery. Industrial upturn is painfully slow—capacity ntilisation is still barely one-fifth. Hopes that existing plant and machinery needed only spares and raw materials to get back into production proved nptimistic. "That was a band aid approach," says one donor. "We're discovering that virtually tha entire factory often needs replacing."

Yet evidence of the overall improvement in living standards can be found in the countryside. The stores and lean-to's that line the main street of Bushenyi, in Uganda's tea-growing region, not only provide basic items — soap, sugar, salt, cooking oil—but consumer goods, such as tape cassettes and batteries.

In Masaka, the owner of a beer parlour has no doubt that life is getting better — desplte the fact that thieves cleaned out her stock the previous week. Prices are mnre stable, she says (bearing out Government claims that inflatinn fell from 55 per cent a year in 1982 to the current level of around 25 per cent), there is more tn buy, and above all the soldiers are not a threat, says this member nf the Baganda tribe.

There is also more traffic on the roads — double the number of vehicles were imported last year compared to 1982. Although many may be in the hands of a comparatively affluent elite, there are now buses crammed with passengers and trucks piled high with matoke (a green banana whicb provides the country's staple food) plying the route between Kampala and Fort Portal.

To the newcomer Kampala, with its pot-holed roads, gruhby shop fronts and rundown public buildings, may seem a depressing sight. But for anyone who recalls the ravaged and looted city of 1979, when Government offices were stripped down to their fittings, shops and stores lay empty, and the streets emptied by 5 pm and not a night went by withont prolonged bouts of gunfire, it is a transformed city.

Shops are stocked, prlvate hotels and restaurants are opening np, people are on the streets intn early evening, and gunfire is infrequent.

The war, bowever, is not far away. The first stretch of the road towards Holma, one of the arms of the Luwero triangle, presents a typical African scene—smallholdings cultivated to the roadside, produce on sale under thatched stalls, and a constant to-ing and fro-ing.

Then comes an informal border between comparative security and what is effectively a military operational area, marked by the police roadblock.

Fro mthen on the makeshift barriers are manned by scruffy young soldiers (unlike the older, better turncd-out counterparts on the safa road to Masaka). Apart from the soldiers, there is barely a soul to be seen. Tha thick bush, trimmed back in the first miles to make ambush more difficult, starts to encroach on the narrow tar road.

"The army may control the roads in the triangle," says one Kampala resident, "but once in the bush its guerrilla country." Homes and stores on the road bave been looted, door and window frames wrenched out and corrugated iron roofs stripped.

Busunju itself, about 35 miles from Kampala, once a thriving trading centre, is deserted but for the army unit, a few camp followers and the transit centre bolding some 1,200 refugees from the fighting. There are barely a handful of able-bodied men—the rest are women and children.

First-band accounts from the refugees at Busunju and Nakazzi, a second transit centre outside Luwero itself on the other arm nf the triangle, bear out reports of widescale hrutalities against civilians in the conduct of the anti-guerrilla campaign. Army conduct bas aroused growing concern among Western aid agencies, church leaders and Uganda's opposition Democratic Party.

Last month, Mr Elliott Abrams, the U.S. Assistant Secretary of State for Human Rights, made the most outspoken criticism tn date.

"Nearly every source we do have," Mr Abrams said in his Congressional testimony, "provides reliable reports of large-scale massacres." The refugees themselves pin most of the blame on Government troops—though western diplomats believe that the guerrillas themselves have also been responsible for random killings.

The upsurge in violence and brutality may in part stem from the accidental death in December 1983 nf the Army Chief of Staff, Lt-Col David Oylte Ojok. His successor, Lt-Col Smith Opona Ochaka (like Lt-Col Ojok and Mr Obote, a Langi from the North) was not appointed until early August, and in the intervening nine months discipline (such as it was) and morale in tha army suffered.

The army bas also been stung intn action by two bumiliating incidents in February and June when the NRA made off with 14 truck loads of weapons and equipment from Masindi barracks, and raided the banks both in Masindi and in Holma. The booty is sufficient to arm the NRA, who have perhaps 1,000 trained men, fnr months to come.

Most of the NRA force is, it seems, still in the Luwero triangle and a major operation aimed at rounding up is underway.

As guerrilla wars the world over have demonstrated, winning over the hearts and minds of civilians is one of the keys to a successful counter-insurgency campaign. In the triangle, bowever, the main casualties of tha current operation are likely to be the villagers themselves.

Nor is there any evidence that the Government is willing to change its tactics. On the contrary, army brutality apart, the ruling UPC seems set on consolidating its power in advance of next year's elections by some questionable tactics.

There is frequent arbitrary arrest and detention without trial of political opponents, and the party's youth wing, often employing bully-boy tactics, is increasingly feared.

The President himself is steadily being elevated to a status at odds with Uganda'a multi-party system. His face now appears on the country's banknotes, suggesting that Mr Obote is either confident that he will be in office for many years to come, or expects considerable tolerance from his successors.

Yet few observers believe there is an obvious alternative to the President, either from the guerrillas or within UC ranks.

"On balance," said a prominent Ugandan churchman who has listened to many accounts of Government brutality from his parishioners, "Uganda is better off." but the churchman deliberated long and hard before reaching that conclusion, and the balance could well tip tha other way in the months to some.

Men and Matters

Old or new, its still a tangle

Oh what a tangled weh we weave when we try to unravel the goings on at Nuovo Banco Ambrosiano.

The old Banco Ambrosiano, you will recall went bankrupt in 1982 following the discovery that there were loans of $1.3bn extended hy subsidiary banks in Latin America connected with the Vatican, that were difficult to recover.

The man who was asked to aort out the mess is Professor Giovanni Bozoli, a mild mannered 51-year-old, who looks younger than his years. He was made chairman of the new hank by the seven founder banks and was in London over the weekend on his way to Washington for the IMF meeting.

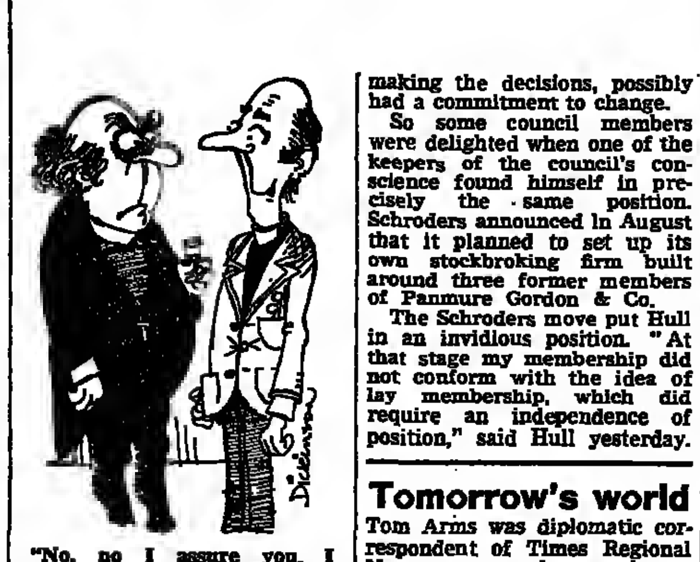
He said "never could a new bank have had so many creditors from the old bank coming from so many directions."

The old bank's debt problem was largely resolved last May when a payment from the Iistituto per le Opera di Religiona (IOR) finalised arrangements which meant two thirds of foreign creditor banks existing claims would be met. Also further claims from these quarters will be dropped.

The hank's main problem now says Sig Bazoli, who is a professor of law, is its capital base. The seven founder banks put in L600hn (£260m) in 1982 hut a lot of this was used to get things going.

This brings us nn to the present where events hinge on the recovery of La Centrale, a subsidiary finance company controlled by the new bank. After divesting itself of shares in insurance and banking La Centrale has money in the kittv. A sale here, if it were politically possihle, would solve the capitalisation prohlem.

But on the other hand, La Centrale has a 40 ner cent stake in the ailing Rizzoli-Corriere dell Sera publishing concero which itself has debts to the new bank. Professor Bazoll says the new bank is "doing much better than expected." I am sure he ia right, hut it still sounds very tangled to me.



"No, no I assure you, I thought parts of the Bishop's sermon were excellent, my Lord"

Hull away

The departure of John Hull, deputy chairman of Schroders, as a lay member of the Stock Exchange ruling council left rather mixed feelings among council members. On the one hand be had been one of the more sharper contributors to the council's proceedings. On the other, some observed, perhaps he had heen too sharp for his own good.

Hull, 58, had from time to time confided that it was ratber odd that couocil members, taking key decisions about the future of the Stock Exchange and its membership, should have already forged tinks with outsiders. In other words, those making the decisions, possibly had a commitment to change.

So some council members were delighted when one of the keepers of the council's conscience found himself in precisely the same position. Schroders announced In August that it planned to set up its own stockbroking firm built around three former members of Panmure Gordon & Co.

The Schroders move put Hull in an invidious position. "At that stage my membership did not conform with the idea of lay membership, which did require an independence of position," said Hull yesterday.

Tomorrow's world

Tom Arms was diplomatic correspondent of Times Regional Newspapers, and very bappy thank you. Tben TRN decided it did not really need a full-time man in London. So Arms was effectively on the street.

He wrote a book about the Falklands, went freelance, and decided that being a journalist was not nearly as exciting as running your own show.

Then press secretary at the Japanese embassy in London suggested that he set up a diplomatic diary of forthcoming world events.

The prjposal has inspired World Watch, Arms' new weekly paper which will give listinga and explanations in a comprehensive, hut low-key way.

Describiog it as a foreign affairs version of Time Out (the London entertainment listings magazine). Arms claims there is no other publication like it.

He has secured some fioancial backing—with great difficulty, he emphasiaes. At an annuat subscription rate of £95 he will need to sell only 4,000 copies to break even, whicb does not sound a bigh target.

However, newsletters have a notorious reputation for veering wildly between being goldmines and expensive flops.

Arms is not calculating potential profits just yet. He is just sweating away to get his first edition ready.

Sino seal

Far he it for me to pour cold water on the prospects for the Sino-Britisb joint declaration on Hong Kong's future, due to be initialled in Peking tomorrow, but if Hong Kong soothsayers have got it right, the two sides have plcked an awful day to set a seal on their agreement.

According to Tung Sing, the Chinese almanac, September 26 is an inauspicious day to settle important contracts. This is mainly because it falls on the second day of the ninth moon, and is the end of a 60 day cycia in the Chinese calendar.

It is considered a had day for rejoicing and fortune tellers in Hong Kong say you should avoid arranging important events like weddings and the signing of contracts. Instead they say you should cleanse yourself and prepare offerings to the gods.

Of some comfort to Hong Kong investors though, will be that Tung Sing says the second day of the ninth moon is a day when water will he hountiful. Water signifies fortune to Hong Kong's business community, so one can only assume the stock market is going to be huoyant

One Hong Kong soothsayer suggested at the weekend that Britain and China had probably settled on Wednesday because as the last day of the 60-day cycle it would characterise the eod of British rule over the territory. On the other hand, one can hardly lmagloe China's communist leadership clamouriog to prepare offeriogs to the gods on Wednesday, so perhaps they have simply decided to tempt fate.

Observer

SEARCH FOR BRITAIN'S MSC CHAIRMAN

Special talents and no illusions

By Alan Pike, Industrial Correspondent

JOB VACANCY: *'chairman of the Manpower Services Commission. Applicants should have no illusions about the demands of the post.'*

That's the sort of advertisement Mr Tom King, Employment Secretary, might have placed to find a successor to Mr David Young, who has been given a peerage and appointed Minister Without Portfolio.

For Mr Young's successor will take office at a time when British industrial training and vocational education stand on the threshold of change.

An outline of Government policy for modernising training has evolved during Mr Young's 2½ years at the MSC. But it will fall to his successor to develop and deliver the goods.

Before making an appointment, Mr King will consult the *employer, trade union, local authority* and educational interests represented on the MSC. The scope of the commission's activities enables him to consider candidates from politics, industrial relations and education. But the strongest lobbying has been in favour of the post going to a prominent industrialist.

The MSC, with its 22,000 staff and £2bn annual budget, is a complex creature. A range of sensitive internal issues face

Ashley Ashwood

Sir Terence Beckett (left): new chairman will need to understand the business community and have real enthusiasm

Strongest lobbying in favour of a prominent industrialist

the incoming chairman and could justify the appointment of an experienced business manager.

Ministers are insisting that the commission's 87 Skillcentres, now showing a £24m deficit, must operate on a full cost recovery basis by 1986-87. In the past, the centres have largely provided speculative training for the unemployed. In future they will have to target their services at companies, offering new technology training at market prices.

The new chairman will also inherit a controversial plan, being resisted by Civil Service unions, to scale down many of the MSC's High Street Jobcentres at a saving of £12m a year—as well as a raging argument over the funding of work-related courses in local authority colleges.

"This job requires someone of very special talents and real enthusiasm," says Sir Terence Beckett, director-general of the Confederation of British Industry. "The chairman of the MSC needs to be someone who understands the business community, and someone who is capable of managing the financial resources of a large enterprise."

But the chairman has to do more than merely run the MSC. The main function of the new incumbent will be to take the role of evangelist in a crusade to reform industrial training and vocational education.

One of the new chairman's first and biggest responsibilities will be to translate into action the lessons of an Institute of Manpower Studies report which shows the UK's training effort lagging far behind those of West Germany, Japan and the U.S.

Research on companies said to have good training records has been commissioned by the MSC in an effort to encourage others. Ideas such as tha inclusion of training conditions in public sector contracts are under discussion in Whitehall.

The new chairman will be expected to find ways of making private industry increase its spending on training. State spending, as the Institute of Manpower Studies report shows, compares favourably with the position in Japan, the U.S. and Germany.

Officials will tell the chairman that they believe the UK needs urgently to double the number of adult employees provided with in-service retraining to 5m a year. This would put UK industry in line with the German retraining rate, although still well behind the U.S. and Japan.

Novel ideas, like American-style training trusts negotiated between employers and unions, are under consideration to raise finance. But if all else fails, the new chairman will find some MSC commissioners seeking the introduction of a French-style national training tax on industry.

The recession has almost seen off apprentice training in the UK. Only about 40,000 apprentices were recruited in all sectors of industry this year.

If the collapse of traditional apprenticeship leads to more open, flexible methods of training it could prove a blessing. The danger is that there could simply be a void, followed by further skill shortage problems.

The introduction of the Youth Training Scheme has given the UK the beginnings of a national programme for preparing young people for work. Recruitment in Year Two is running at double last year's rate. Already there are demands—from a House of Lords select committee among others—for YTS to be extended into a two-year scheme.

But the new chairman will soon discover that discussion about the length of YTS is part of a bigger question. At what age should any young people start work? In Japan the average age is 20. Britain is unusual in having large numbers of young school leavers going straight from education to work, and the case for withdrawing all 16- and 17-year-olds from the labour market is going to be a growing preoccupation within the MSC.

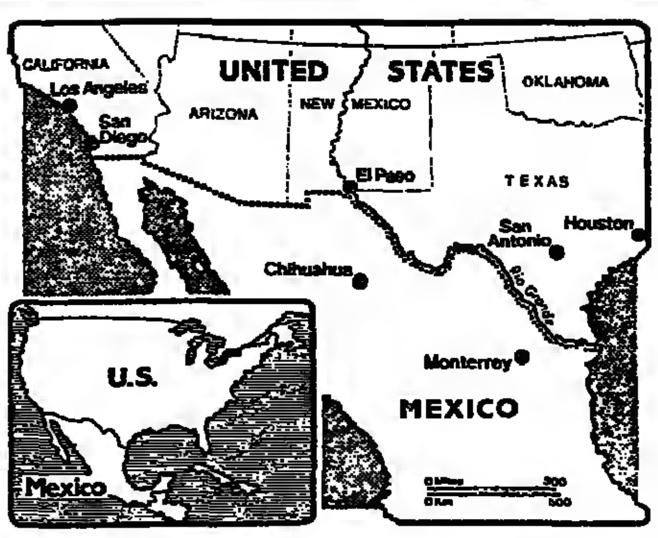
The purpose of such a move—supported by the Institute of Manpower Studies report—would be to ensure that a majority of young people presented themselves to employers with worthwhile qualifications. In this case the MSC could find itself moving towards a fusion between YTS and its Technical and Vocational Education Initiative, which is designed to improve the technical curriculum for 14 to 18-year-olds.

Many of the priorities which

Raging argument over college course funding

the incoming chairman will inherit represent the philosophy of Mr Young and Ministers that the Government cannot create jobs, only the conditions in which jobs grow. This outlook has led to an increasing concentration on the MSC's training functions, to help ensure that individuals and industry are able to take advantage of opportunities.

But the long-term unemployed will still be a big problem. Another pressure on the new chairman will therefore be to ensure that the MSC's responsihilities in this area are not neglected amid the campaign to make those employees who do have jobs more aware of training.



Illegal immigrants to the U.S.

Battle of the Rio Grande

By Mary Ann Sieghart, recently in El Paso

THE RIO GRANDE stretches for a thousand miles along the U.S.-Mexico border. It is also the divide between a Third World country and the leader of the First World, a country where an illegal Mexican immigrant can earn as much in an hour as in a day back home.

Nowhere else does the lure of riches seem so simple to fulfil. Once the river was a truly *grande* barrier; now in places it is only ankle-deep. If illegal immigrants want to keep their feet dry, they can pay an enterprising Mexican $1 to be carried pickaback through the water, or they can just walk across a bridge when no border patrols are about.

The U.S. border agents are fighting a losing battle. Last year they apprehended more than 1m illegal aliens on the southern border, an increase of 2,800 per cent on the figure for 1965. Nobody knows how many more crossed unnoticed. "The simple truth is that we've lost control of our borders, and no nation can do that and survive," President Reagan said in June.

Few politicians genuinely think that the survival of the U.S. is at risk, but the influx of illegal immigrants has caused social and economic problems which Congress believes must be redressed.

On the one hand, the immigrants have been forced into an "under-class," speaking only Spanish and easily exploited because of their fear of deportation. On the other, labour leaders and some economists claim that the immigrants are taking Americans' jobs and driving wage levels down.

For some years, lawmakers hava assumed that a combination of amnesty for those already in the U.S. and sanctions for employers who hire "illegals" would solve the problem. Others see it as more deep-rooted.

With 2,000 miles of Mexican border, which the U.S. either cannot or chooses not to police properly, almost anyone who wants to enter illegally can do so. If they are caught, the penalties are slight or nonexistent, and they can always try again.

Until the tremendous disparity between the economies is narrowed, it is hardly surprising that they will want to seek their fortunes.

The border patrol realises what it is up against. "You can't afford logistically to try to prosecute these people for illegal entry — the judicial and detention systems could not handle it," says Larry Richardson, chief border patrol agent in El Paso, the second largest crossing-point. "All we do is send them back to 'Go' like a big monopoly game."

Much of the time, they do not even have the resources to do that. When border patrol agent John Tiltti sees the illegals standing in groups on the U.S. side of the river, he knows it is not worth his while picking them up. He will merely waste his time filling in forms and sending the people back to the other side. An hour later, they will be back.

"It's no problem to catch aliens," he says. "They're all over the place. We know where they're crossing and where they're going. It's just a matter of how many people we have working that day as to how many we catch."

Most days, the El Paso patrol picks up between 600 and 800 aliens. Mr Tiltti estimates this is about 20 per cent of those crossing each day. Mr Richardson puts it at nearer one in three. The total is difficult to calculate and is complicated by the fact that some get caught twice, or even three times, a day.

Nor does anyone know how many illegal immigrants are in the U.S. — like drug use and tax evasion, they are not easy to document. Estimates vary from 3m to 12m, with several more million coming in each year.

"The U.S. has the world's largest unregulated guest-worker programme," claims Mr Leonel Castillo, Commissioner of Immigration in the Carter Administration. "The actual policy of the U.S. Government is quite different from its stated policy, which is the strict control of the border and strict restriction of entry. The *de facto* policy is to keep the door half-open."

But with the advantage of cheap, willing labour comes problems.

"There is the constant reality of injustice, of abuse, exploitation, and inhumanity," says Mr Castillo. "That should not exist in a democratic country. It's causing great pain to millions of people."

While some economists claim that the illegals take more out of the economy than they put in, others disagree. They say that illegal immigrants do jobs that Americans would not want, they pay their taxes without being able to claim the benefits, and they provide a labour pool from which U.S. industry can draw in times of expansion.

But, if the U.S. does want to regain control of its borders, it has three choices: it could step up its border patrol by a factor of at least 10; it could try to weaken the "push" factor by helping Latin American countries to develop their economies; or it could try to eliminate the "pull" factor—the lure of better-paid jobs.

The controversial Simpson-Mazzoli Immigration Bill (named after its House and Senate sponsors), which is before a Congressional committee, focusses on the lost approach. It combines amnesty for illegal immigrants who have been in the U.S. for several years with sanctions on employers who knowingly hire aliens.

It scraped through the House by a margin of just five votes in June. Now the House and Senate versions must be reconciled and the compromise voted on again, all before the election of November 6.

Hispanic groups have bitterly attacked the employer sanctions claiming that they will mean discrimination against U.S. citizens with Hispanic names. Employers, they suggest, will shy away from hiring Hispanics, in case they are illegal.

Apart from the problem of discrimination, there is the question of whether the sanctions would work. The border patrol is adamant that they will. "With no employer sanctions, they'll continue coming in increasing numbers," claims Mr Richardson. "Other countries with population problems will continue to be beneficiaries of our inaction."

The sanctions can only be effective with reliable forms of identification. Under the provisions of the Simpson-Mazzoli Bill, employers would have to check two documents, like a Social Security card, a birth certificate, or a passport. Having seen these, they would have acted in good faith and would not be liable for prosecution, even if the workers were illegal. However, a forged Social Security card can be bought for $5 on the streets of El Paso and in many other border towns.

"You have got to start dealing realistically with Mexico," Mr Marc Campos, special adviser on immigration to Governor Mark White of Texas. "The way to do it is to develop their country. We have had that border for a long long time, but I do not think we have ever really tried to develop their economy. If it does not get better, you can talk about any kind of immigration bill you like and it would not make any difference.

"I am not saying Mexico is doing all it can. It's not. But at the same time, I do not think our country is doing what it has done for other countries. The way we are approaching it is making us the laughing stock of the world — by trying to cut the immigrants off. That should not be the American way."

Letters to the Editor

Accountants' mergers

From Mr J. V. C. Butcher

Sir,—The proposed merger of Price Weterhouse and Co and Deloitte Haskins and Sells raises important questions about the nature of the accountancy profession's service to the business community.

One of the basic ethical rules of the Institutes of Chartered Accountants is that a firm must be independent.

Were there to be a series of mergers among the very large accountancy firms, there could soon be only four or five of such enlarged super-firms sharing between them accountancy work for well over 90 per cent (hy market capitalisation) of quoted companies and a similar percentage for other large undertakings.

This could make it significantly more difficult to find an independent firm to report in certain situations such as complex company mergers. It could also result in at least one of these enlarged super-firms having over 25 per cent of the professional accountancy market and therefore being in a monopoly situation; and, as with the Big Four banks, there would be an over-concentration of power in a few hands.

The Institotes of Chartered Accountants, the Monopolies and Mergers Commission and the Government all have a duty to ensure that the accountancy profession continues to aave the business community well, since it plays such a vital role.

Before any merger takes place there should be a proper puhlic debate and enquiry as to its merits.

John V. C. Butcher.
7, Blenheim Close,
Wilmslow Park,
Wilmslow, Cheshire.

National equity for everyone

From Mr H. Hodgkinson

Sir,—In July 1968 you published a letter from me advocating a National Equity, to be initiated by the distribution of public sector assets.

Now that Dr David Owen has courageously put this item on the agenda of practical politics, may I be allowed to add a footnote to Samuel Brittan'a lucid outline (September 20) of some of the implications involved?

A unique opportunity would be lost if this were to be regarded merely as a cosmetic device to relieve current industrial troubles or, by encouraging a diluted producers' syndicalism in industry, to cushion the impact of unemployment.

The emerging problem for all industrial societies, as new technologies make "full employment" neither feasible nor desirable, is how to find an ideological underpinning and an administrative method of distributing a growing proportion of the national product otherwise than as wages and salaries.

These already grossly overvalue the economic contribution of those lucky or well-organised enough to be able to command them, and exclnde a substantial majority of the voting population from receiving income as of right, and not out of charity — most women, atudents, the unemployed, and many of the retired.

If the full psychological, and ultimately economic, effect is to be secured, these and future *"socialised" equity holdings* will need to be inalienable—rather on the precedent of tha National Trust, whose capital assets are nil-rated in the belance sheet and hy definition are not marketable in one-acre lots by the million or so individual members.

Harry Hodgkinson.
45 Linhope Street, NW1.

Sleipner gas deal

From Mr G. A. Mackay.

Sir,—I was surprised to read your article on the Sleipner gas deal (September 19), which quotes Mr Peter Gaffney's criticisms of the proposed purchase. Mr Gaffney's figures are a gross misrepresentation of the actual position.

It is true that under certain optimistic scenarios about future UK gas production e proportion of Sleipner ontput might appear to be in excess of UK needs. The implication, then, is that there would be a delay in developing some UK fields. That is not necessarily a had thing.

First, these production scenarios are optimstic and it would be prudent to take a cautious view in order to avoid the possibility of a shortfall in supply.

Second, gas prices are currently depressed and it seems likely that prices will increase in real terms towards the end of this decade. If that happens, it is sensihle to conserve UK reserves and import Sleipner gas—at a price which is already generous to the UK.

Third, the UK fabrication industry would be incapable of handling the platform or module orders from the 22 or more fields to which Mr Gaffney refers — with the consequence that much of this work would have to go overseas.

I am sure that any independent observer would conclude that the Sleipner deal is in our longterm interests and that we have been able to reach a fair agreement with the Statoil group.

G. A. Mackay.
Balloan House,
Inverness.

U.S. and the Jewish lobby

From Mr W. El-Miqdadi.

Sir,—I was surprised to read Mr M. Moss's letter (September 18) in which he notes his disagreement that the Jewish lohby is the only factor influencing the U.S. policy in the Middle East.

To illustrate his point he takes as an example the period of President Eisenhower'a Government which was an exception to the rule that, since President Truman until today, the policy of the U.S. Government has been directed and influenced by the Jewish lohby for the interest of Zionism worldwide.

I would like to recommend to Mr Moss the reading of Harry Truman'a Memoirs, which make reference to the pressure to which he was submitted to enforce the 1947 United Nations resolution for the partition of Palestine.

W. El-Miqdadi,
23, Somerset Square, W14.

Coventry's twin city in China

From the Town Clerk of Coventry

Sir,—I read with interest your survey of Shandong Province (September 10) in which it was suggested that Shangdong has so far had little contsct with foreign countries other than Japan and West Germany.

Although this may be generally true, I think it might be worth while to draw to your attention and that of your readers the fact that the capital city of Shandong, Jinan, is twinned with the City of Coventry. Although the twinning only took place in the autumn of 1983, there have already been exchanges of delegations including civic, commercial, technical and educational representatives.

Over the next nine months or so three technical delegations from Jinan will be visiting Coventry: one will be a specialist delegatioo on educational matters; one a delegation on environmental control and pollution matters; and the third concerned with telecommunications and computiog.

If any of your readers represeoting companies concerned with these topica, whether they are actually located in Coventry or not, would like the opportunity to meet and discuss any of these matters with the incoming delegations, I should be pleased to try to make suitahle arrangements during their visits.

Robert J. Tarr,
Chief Executive and Town Clerk.
City of Coventry,
Council House,
Coventry CV1.

Significance of earnings per share

Sir,—The nsefulness of the earnings per share figure for comparison purposes, calculated *after tax*, has always been in donht, as the tax charge is subject to distortion by the use of past losses, timing differences and so on.

These distortions are now amplified by changes in the base rates of tax, reductions in initial capital allowances, cancellatiou of stock reliefs and the charging of deferred tax against current profits in some cases or below the line in others.

Is it not about time "earnings per share" was based on pre-tax profits to give e true comparison year-by-year of performance? Dividend cover can be worked out by the shareholders themselves.

S. W. Penwill,
London International Press Centre,
76 Shoe Lane EC4.

PR sloth at Telecom

From Mr R. Burton.

Sir,—I wonder why, at a time when it is almost impossihle to ignore British Telecom advertisements detailing the marvels of modern technology such as fibre optics, it took five phooe calls to get the British Telecom public relations department to arrange an interview in which a specialist on fibre optics at Martlesham was invited to discuss the suhject for the henefit of a radio programme.

Perhaps I was dialling the wrong numher!

R. Burton.
Anchor and Hope,
Swefling, Saxmundham,
Suffolk.

Life still begins at 40

From Miss Pamela Currin.

Sir,—Carla Rapoport's article "Suitors line up to woo the mature person" defines such a woman as being aged between 25 and 40.

Perhaps Miss Rapoport would care to provide a label for those of us over 40. "Young OAPs" or "golden oldies" spring (or, I suppose in may case, stagger) to mind.

Come, come, Miss Rapoport—does life no longer begin at 40?

Pamela Curren.
25 Hereford Gardens,
Pinner, Middlesex.

FINANCIAL TIMES

Tuesday September 25 1984

MOST OF UNION'S DEMANDS CONCEDED

Renault deal saves model launch

BY PAUL BETTS IN PARIS

AN INDUSTRIAL dispute threatening to disrupt the launch of the new Renault 5 minicar was resolved yesterday after the French state-owned car group gave in to most of the labour union demands.

The outcome of the dispute at Renault's car component and tractor plant at Le Mans represents an initial success for the pro-Communist CGT to the imminent negotiations between unions and Renault over the car group's plans to reduce its overall workforce by 15,000 to 20,000 people.

Renault is expected to outline to the unions its broad job-reduction plans next month designed to cut losses that are already estimated at around FFr 4bn ($431m) or more this year compared with FFr 1.6bn last year.

Renault's truck and agricultural machinery divisions are continuing to operate heavily in the red and for the first time the car division is also losing money this year. The losses in the car division were confirmed by Mr Pierre Tiberghien, chief executive of Renault's car division, during the official launch of the R-5.

The decision by Renault to resolve the Le Mans dispute quickly by adopting a conciliatory approach appears to reflect the state group's intention of taking a softer attitude to the layoff issue in contrast to the hard line adopted by the private Peugeot group this year.

Renault clearly did not want to risk jeopardising the launch of its new car, on which it is pinning many of its recovery hopes.

The CGT seems to have manoeuvred skilfully at Le Mans by disrupting production to coincide with the launch of the new R-5 at a plant where it knew the Renault management would not force a showdown.

The dispute, which started last Thursday, involved union opposition to proposals to cut an end-of-the-year bonus and force workers to take their fifth week of annual leave between December 21 and January 2, when the plant would be closed. The unions also wanted management assurances that no compulsory redundancies would be made at Le Mans.

However, the eventual restructuring problem at Le Mans is comparatively straightforward because the average age of workers at the plant is the oldest of any Renault plant in France. As a result, Renault was able to promise the unions at the weekend that there would be no redundancies at Le Mans, where lay-offs would be made on a voluntary basis and by early retirement.

Renault also agreed to give workers greater flexibility over the Christmas leave period and said the plant's 8,000 workers would each receive a FFr 300 bonus at the end of the year.

Apart from the broad restructuring which is expected soon to affect Renault's car operations, Le Mans is also likely to be involved imminently in the restructuring of Renault's farm machinery business.

Renault is expected to announce in the next few days a firm agreement with International Harvester of the U.S. on rationalising their respective troubled farm machinery businesses in Europe. The agreement follows the letter of intent signed by the companies last March.

The CGT, by winning significant if comparatively easy concessions from Renault in its first big confrontation on jobs generally, is likely to argue that the company can apply a similar approach to restructuring at other French plants.

The situation at many other large plants is by no means as clear-cut or straightforward as at Le Mans, however, and Renault might be forced to adopt a harder line. That is likely to test Renault's traditionally conciliatory approach to labour relations in coming months.

Japanese cars make inroads into W. Germany, Page 2

Banks 'must provide new Argentine loans'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN WASHINGTON

ARGENTINA'S commercial bank lenders will have to commit themselves to providing fresh loans to the Government of President Raúl Alfonsín before the International Monetary Fund gives the go-ahead to an economic programme that would pave the way for a resolution of the country's $44bn foreign debt question, senior bankers said in Washington yesterday.

The need for bank loans is yet another hurdle to be cleared before Mr Jacques de Larosiere, IMF managing director, can eventually put an agreed programme to the fund's executive board.

Mr de Larosiere wants to make sure that foreign financing will be available to support the programme and is seeking a commitment from bankers similar to those sought for Mexico and Brazil during their IMF negotiations in 1982 and 1983.

However, creditor banks are worried that long debt service delays by Argentina will make such a commitment unusually difficult, even though new loans from the banks would allow it to eliminate interest and principal arrears now approaching $2bn.

Basic technical aspects of the programme are now complete, although there are continuing differences over the size of the peso devaluation that Argentina will have to permit as a condition for receiving $1.6bn in fund loans.

If Argentina's foreign finance requirements and exchange rate policy could be settled, no serious obstacles would be left in the way of an IMF agreement, which "could come at any time," one banker said yesterday.

Crucial talks between Argentina, the fund and bank creditors have been going on almost continuously on the sidelines of Washington's IMF annual meeting, but there is now a growing consensus that it will be difficult to achieve a final breakthrough before the meeting ends on Thursday.

However, the bankers said they welcomed the new realism that has entered Argentina's public pronouncement on its debt over the past few weeks. They said they believed that was because the Alfonsín Government had realised that inflation was now out of control at 650 per cent.

Sr Bernardo Grinspun, Argentine economy minister, has also been forced to drop his bawkish line on foreign debt after failing to win support from other more compliant borrowing countries at the recent debtors' meeting in Mar del Plata, they said.

CARACAS CREDITORS INSIST ON CHECKS

VENEZUELA's creditor banks are to insist that the country adopt economic monitoring procedures with the International Monetary Fund as part of their agreement to reschedule $20.75bn in debt maturing until the end of 1988.

That is despite Venezuela's resistance to a creditor bank request in the final round of talks at the weekend. Sr Carlos Rangel, the country's debt negotiator, said on Sunday that the agreement would not involve a monitoring procedure.

However, bankers said Venezuela was anxious to downplay that part of the agreement because of worries that it might lead to domestic political trouble, with accusations that President Jaime Lusinchi had accepted outside interference in the country's economic affairs.

They said the final documentation of the Venezuela credit would commit the country to a monitoring procedure similar to that already accepted by Mexico.

Some European banks also want Venezuela to permit more than $3bn of the rescheduled debt to be eligible for switching into currencies other than the dollar. Venezuela had sought that limit to reduce the exchange risk of such a switching process.

St-Gobain buys 75% of British Steel pipe unit

By Ian Rodger in London

SAINT-GOBAIN, the French state-owned building materials group, is to take a 75 per cent stake in British Steel Corporation's Stanton and Staveley iron water-pipe business for about £19m ($23.8m).

The French company, which needs additional capacity, plans to keep all three Stanton and Staveley (S&S) plants in operation and foresees no reduction in the group's 2,550 workforce.

Mr Norman Tebbit, Britain's Trade and Industry Secretary, has agreed to the deal, subject to the approval of the Office of Fair Trading. S&S has a dominant 80 per cent share of the UK market for iron pipe, but a smaller share of the overall market, which includes steel, concrete and plastic pipes.

European makers of iron pipe, led by St-Gobain's subsidiary, Pont-à-Mousson, supply over half the pipe sold in developing countries and other export markets around the world, but are facing a strong challenge from Japanese suppliers in many markets.

In 1968, those export markets consumed 239,000 tonnes of ductile iron pipe and St-Gobain's Pont-à-Mousson subsidiary supplied 44 per cent of it. UK suppliers, led by Stanton and Staveley, supplied a further 27 per cent and the Japanese only 6 per cent.

By 1972, the export market had surged in size to 1.2m tonnes as dozens of developing countries carried out many ambitious water treatment and drainage projects. Pont-à-Mousson managed to hang on to its share, but the S&S share dropped to 7 per cent, while the Japanese, led by Kubota, better known for its agricultural tractors, surged to 26 per cent.

S&S has lost share partly because its productivity lagged behind that of its competitors and partly because of the high value of sterling a few years ago.

The result is that it has a lot of spare capacity at a time when Pont-à-Mousson needs additional capacity to maintain its strong position in world markets.

Total world capacity in iron pipe is about 5.2m tonnes, of which Pont-à-Mousson has 16 per cent and S&S another 5 per cent. The U.S. has the largest capacity, 1.7m tonnes or a third of the world total, but U.S. producers tend not to enter export markets on a regular basis. Japan's capacity is estimated at 950,000 tonnes or 18 per cent of the total.

St-Gobain is strongly committed to the iron water-pipe business. Its Pont-à-Mousson subsidiary had total turnover of about $1.5bn in 1982 and water pipe accounted for about 70 per cent of the total. Approximately 60 per cent of its pipe sales are made in export markets.

By contrast, BSC has been selling off its peripheral businesses at a rapid pace in the past few years, and it has been no secret that S&S was one of those up for sale.

S&S had a trading profit of £1m on turnover of £96m in the year to March 31 1984. Demand in the UK has been depressed in recent years because of reduced spending by water authorities and public utilities.

S&S has three plants in England's East Midlands. Iron pipe accounts for about 80 per cent of its output. The group also produces concrete pipe and specialised iron castings, such as manhole covers.

THE LEX COLUMN

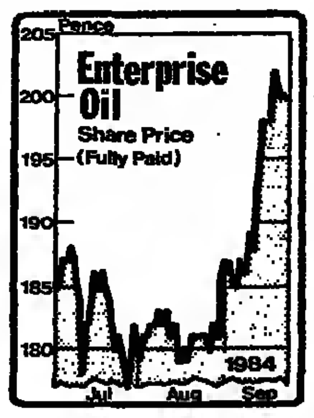
Clean sheet for Enterprise

Nothing in Enterprise Oil's short life has come anywhere near the excitement of its first few days in the private sector. Yesterday's first interim statement to shareholders, though, testifies eloquently to the comfort of its post-natal days as a debt-free producer of dollar-priced oil in the North Sea. Net income of £23.8m for the six months to June has been accompanied by a £21m addition to Enterprise's cash pile. Short of a real catastrophe for the dollar, there is little to stop the group comfortably exceeding the 1984 income forecast, equivalent to £44.7m after flotation costs, which it included in its June prospectus.

The sterling/dollar exchange rate anticipated then was $1.45. An effective average rate of $1.37 in the first half has been worth about £1½m on the bottom line and a $1.25 rate would add more than £2m in the current half over and above the forecast. Exploration write-offs for the second period will be a more significant item than the almost token £0.3m notched up so far; but the production benefits of the Hutton field coming on stream two months or so ahead of schedule should take care of that.

All of that serves only to emphasise, of course, that Enterprise has hardly yet begun its assigned task of turning surplus liquidity into medium and long term assets. Its reference yesterday to commercial discussions with "a number of companies, which will include RTZ" reads like a gentlemanly assertion of its independence and the City has no reason to anticipate the group's first expansionary moves, involving its substantial minority shareholder or anyone else.

This inevitably leaves its shares looking less colourful than many others in a sector buzzing with take-over activity and discovery rumours. But Enterprise has not been left behind by the sector's recent recovery – the oil index has made up half its July losses against the market – and its shares at 200p stand on a multiple of about 7½ times prospective earnings of £55m, not to mention a respectable premium to the 185p flotation price.



Fidelity/Caparo

The terms of Caparo's agreed bid for Fidelity are a stark reminder of the consequences of missing a rights issue forecast. Fidelity is a company which in happier circumstances should be quite capable of gleaning an independent living in the wake of the home electronics giants; but the problems of management succession which led to its profits debacle have also left it friendless in the stock market.

Caparo's 125p bid is in itself fair enough, given Fidelity's failure to rustle up a counter-offer. What is more dubious is the proposal that Fidelity should retain its status as a quoted company. Caparo bas in the past built up a wide-ranging but not startlingly successful portfolio of metal-bashing interests, and Fidelity is intended as the vehicle for a change of tack into higher technology.

The proposal to use Fidelity shares for the purpose may make sense for the private ultimate holding company of Caparo. But Caparo's public shareholders risk being left in something of a backwater, while minority holders of Fidelity may find their holdings diluted through departures into untried areas.

Management buyouts

Management buyouts seem, on the face of it, to suit everyone. By disposing of a subsidiary to its existing management, a parent company can relieve itself of a peripheral – and frequently loss-making – business without having to incur the costs which would be associated with closure. And, to judge by the recent track record, the managements themselves have had little to complain about. Sarasota Technology, which was bought off Redland two years ago for £5.4m, was floated on the stock market earlier this year carrying a price-tag of £23.3m.

This week sees another successful buyout making its market debut. Stone International, the former electrical engineering division of Stone-Platt, will be capitalised at about £38m, which compares with the £18m for which it was bought off the receivers two years ago.

The existing directors of the company – who have received handsome salaries in the interim – will end up with roughly a fifth of the fully diluted equity. They have put their own capital at risk and have no doubt worked hard to bring the company to its present state.

But the former shareholders of Stone-Platt may wonder how it can be that the management of the company should benefit from the demise of their employer when they themselves obtained not a penny from the receiver.

Lonrho/Fraser

Poring through the reams of confusion and invective which have set the scene for their annual meeting this week, shareholders in House of Fraser could be forgiven for thinking that even the annual resolution to reappoint the auditors was a controversial matter. Probably it is not, although nearly everything else on the agenda needs looking at with quite exceptional care, and this is one case where proxies – due by Wednesday – really can affect the company's future.

Shareholders must first decide whether they should elect two further representatives of Lonrho (against the wishes of Fraser's management), or vote down the chairman, Professor Smith, and his colleague Mr Ernest Sharp (as requested by Lonrho). These decisions are probably better taken separately: for while it would be damaging to Fraser to lose Mr Sharp or Professor Smith – in whose favour shareholders should certainly vote – there is also a case for Lonrho having more than its present two seats on the Fraser board.

Lonrho is also seeking to tie Fraser's hands on anything that could affect the demerger of Harrods, pending the next Monopolies Commission report on relations between Lonrho and Fraser. This seems an unreasonably wide-ranging demand, which should not be accepted; Lonrho's interests should be represented, but not to the point where (on one important matter) control of the company is suspended for months on end.

Bethlehem and Inland in steel link

By Terry Dodsworth in New York

BETHLEHEM Steel and Inland Steel of the U.S. are linking up in a $80bn joint venture that will give them access to cold electroplating technology for sheet steel manufactured for the motor industry.

The two companies, which had a combined steel output last year of 17m tons, will join Pre Finish Metals (PFM), a subsidiary of Material Sciences Corporation, in the project. Material Sciences is one of the leading companies involved in continuous coil coating.

Bethlehem said yesterday that it did not expect any anti-trust difficulties over the agreement, which brings together the country's second and fourth largest steel companies. The company added that it was the first time it had been involved in a joint project for finished materials – an area of the U.S. steel industry where the Justice Department indicated in a recent ruling that it would look favourably on industrial combinations.

The new facility, near Toledo, Ohio, will complement continuous annealing plants brought on stream recently by both Bethlehem and Inland. They produce a lighter and stronger steel, which is ideal for the motor industry.

The electro-galvanising process, supplied under licence by Maschinenfabrik Andritz of Austria, gives a zinc protection against corrosion which is also in great demand by vehicle makers. The technique involves zinc plating of the steel in a cold form, which prevents altering the chemistry of the steel.

Bethlehem said the Toledo plant would be operated by Pre Finish, and produce around 400,000 tons of finished steel annually. It is expected to be on stream by 1986.

Reuter adds from Cleveland: LTV Corporation said yesterday it would halt some semi-finishing steel facilities at its Aliquippa works from September 30. About 360 workers will be affected.

The company said it would continue to operate its more efficient continuous caster for as long as demand existed.

The Aliquippa works include ingot steel production and blooming, billet, bar and round mills, as well as billet grinding facility. The units have been operating at reduced or intermittent levels over the past several years, because of poor market conditions.

Dollar falls back as Bundesbank intervenes with renewed sales

Continued from Page 1

eign exchange market, the central bank would not hope to achieve a lower dollar through intervention.

Frankfurt foreign exchange dealers said the West German intervention over the two days had been impeccably timed, and was perhaps the most effective ever undertaken by the central bank.

The sales, however, may have created a serious dilemma for the Bundesbank if other central banks, particularly the U.S. Federal Reserve, decide to hold back from intervening.

The dealers said the market might now seek to test West Germany's resolve by pushing the U.S. currency higher, and speculated that it would be forced to sell ever-increasing amounts if it wanted to keep the dollar from rising.

Against that, uncertainty over whether other central banks will also intervene might forestall any runaway surge in the dollar's value.

U.S. Treasury officials have given a warning that it would be unwise to assume that the recent regular intervention of the central bank to add reserves to the U.S. financial markets reflected a shift in Fed monetary policy. "The Fed is aware of its domestic and international financial responsibilities," a Treasury official said, when asked whether the Fed moves might be aimed at trying to contribute to greater stability on the foreign exchanges and foster a stable domestic financial environment.

Herr Pöhl and Herr Gerhard Stoltenberg, West Germany's Finance Minister, yesterday expressed concern about the risk of a dramatic decline in the value of the dollar at some time in the future and danger that higher interest rates in the U.S. might aggravate the debt situation and endanger European economic recoveries.

Herr Pöhl, noting that the U.S. current account deficit had reached unprecedented levels, warned of the dangers of a "dramatic overshooting downward" in the value of the dollar and the danger that the U.S. economic slowdown might turn into a recession. "If the U.S. economy is going to slow down more than one would like to see, there will be a growing tendency to protectionism in the U.S.," Herr Pöhl warned.

Asked what West Germany was doing about its fears over U.S. economic policy, Herr Stoltenberg said: "We are urging America to prepare for a strong decision to get its (budget) deficit down." The U.S. response, he added with a wry smile, is "they all say they will do it."

How Yang Beigui recycled rags to riches

Continued from Page 1

38, gave up his job as a factory worker earning yuan 40 a month two years ago to become his wife's assistant. "I am very pleased and proud of her success," Hu says.

The couple have built two more rooms on to the small courtyard home. They have a washing machine, a television, a radio and a Japanese-made camera, which they bought locally for yuan 1,000.

Yang's declared profit in 1983 was a modest yuan 6,000. On a turnover of yuan 180,000, that is modest, but a small fortune by Chinese standards. The country's average annual per capita income is less than yuan 340.

Her gross profit margin is limited by the state to 12 per cent. Out of that she has to pay 7 per cent tax. Peking's leadership is anxious not to allow an explosion of wealth for fear of provoking resentment among those left behind and a radical backlash against the new economic policies.

"In any case," Yang says, "I would rather go for bigger sales and lower profits."

Yang and Hu have two children, a girl of 10 and a precocious son of seven. Hu's parents live in the house and his mother has taken over the household chores while Yang runs the business.

Yang still feels intensely bitter about being deprived of her education. "I taught myself to read and write. I do not want my children to do the same."

The couple's biggest ambition for the time being is to go on making money. "It is good for the state and it is good for us," her husband said. "Later on we would like to travel and see the world."

Asked whether she thinks that China will ever revert to its rigid left-wing policies, under which "capitalist roaders" like herself would have been dispossessed or worse, Yang becomes agitated and says: "Our leaders have drawn a bitter experience from the past 30 years. I am sure they have learnt the right lessons."

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	20	68	Dubrovnik	R	21	70	Malaga	S	23	73	Salzburg	R	11	52
Akrotiri	-	—	—	Faro	S	27	81	Malta	S	29	84	Seoul	C	22	72
Algiers	—	—	—	Florence	F	20	68	Manila	C	33	91	Singapore	R	31	88
Amsterdam	T	12	54	Frankfurt	R	11	52	Miami	C	29	84	Stockholm	C	13	55
Athens	S	27	81	Funchal	S	24	75	Milan	F	21	70	Strasbourg	T	9	48
Bahrain	C	36	87	Geneva	C	11	52	Moscow	S	18	64	Sydney	S	21	70
Bangkok	C	33	91	Gibraltar	S	27	81	Munich	F	11	52	Taipei	C	30	68
Barcelona	—	—	—	Guernsey	C	12	54	Nairobi	C	26	79	Tangier	C	24	75
Beirut	S	29	84	Helsinki	D	13	55	Naples	C	22	72	Tehran	-	—	—
Belgrade	C	21	70	H. Kong	F	30	86	New Delhi	C	34	93	Tel Aviv	S	30	86
Berlin	S	14	57	Innsbruck	C	13	55	New York	C	25	77	Tenerife	S	27	81
Biarritz	D	14	57	Inverness	C	11	52	Nice	S	22	72	Tokyo	S	25	77
Blackpool	C	13	55	Istanbul	—	—	—	Oporto	S	17	63	Toronto	C	22	72
Bordeaux	F	16	61	Jersey	C	13	55	Oslo	R	9	48	Tunis	-	—	—
Brussels	F	13	55	Jo'burg	C	28	82	Paris	R	13	55	Valencia	S	26	79
Budapest	C	15	59	Las Palmas	F	25	77	Prague	R	10	50	Venice	S	20	68
B Aires	C	16	61	Lima	C	20	68	Reykjavik	S	8	46	Vienna	C	12	54
Cairo	C	34	93	Lisbon	S	21	70	Rio de J'o	C	24	75	Warsaw	C	15	59
Cape Town	S	18	68	Locarno	S	18	64	Rome	C	25	77	Zurich	C	10	50
Caracas	R	29	84	London	C	11	52								
Casablanca	—	—	—	Los Angeles	C	24	75								
Copenhagen	F	16	61	Luxembourg	C	9	48								
Corfu	-	—	—	Madrid	S	20	68								
Dublin	C	12	54	Majorca	S	23	73								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Reagan offer on space

Continued from Page 1

engage in dialogue, it is not at all sure how Mr Gromyko will react to proposals that have clearly been put forward to show Mr Reagan in the most peaceful possible light before November's U.S. elections.

Mr Gromyko, however, is widely expected to pick up Mr Reagan's offer to discuss "regional problems" to see how far Washington is inviting Moscow to have a say in policy on areas such as the Middle East and Central America.

Mr George Shultz, the U.S. Secretary of State, who is to meet Mr Gromyko to discuss the regional initiative in New York tomorrow, said there were many Middle East issues, such as the Iran-Iraq war and tensions between Syria and Israel, on which it might be useful to exchange notes.

Mr Reagan's linking of defensive and offensive strategic weapons has so far been rejected by Moscow, which wants to limit resumed arms-control negotiations to "defensive" space-based and anti-satellite weapons, as envisaged in Mr Reagan's "star wars" programme.

The U.S., while ready to discuss a testing moratorium, first wants to test its own anti-satellite system,

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday September 25 1984

Problem loans 'cut real profits of main U.S. banks'

BY DAVID LASCELLES IN LONDON

THE BIG U.S. banks' true profits are much lower than reported because of their failure to give a realistic value to their considerable loan exposure to less developed countries (LDCs), according to *Moody's*, the New York credit rating agency. On the other hand, they are among the world's most strongly capitalised banks, and the U.S. Government would never allow one to fail.

Moody's, which has been more aggressive than Standard & Poors in downgrading banks, says that 1983 bank earnings would have been from 26 per cent lower (for J. P. Morgan) to 60 per cent lower (for Manufacturers Hanover) if they had treated their problem loans as non-performing and recognised service payments only when they actually arrived.

The report predicts that Argentina, Brazil, Mexico and Venezuela will continue to have major repayment problems and will "result in real earnings burdens on the group (of banks) which will adversely affect their performance." In fact, foreign loan risks plus the fragility of domestic and international funding "may create a crisis for one or more U.S. banks."

Deregulation of U.S. financial markets will also expose banks to increased competition, which will hold down profits, though they should benefit from lower costs and higher income from fees.

Moody's estimates that U.S. banks are second only to the Swiss in the strength of their capital among the major lending nations, and their profitability is also high.

It also believes that the U.S. Government would never permit a U.S. bank to default because they are "too important to the economy, too interconnected and too confidence sensitive – and the LDC loan problems too pervasive of the international banking system."

The report says: "Given the consequences of banking collapse, we believe other policy objectives will be subordinated, if necessary, to the protection of the banks."

● Bankers Trust, the New York bank, is to narrow the focus of its dealings with European insurance companies to the 100 largest in the industry. The bank, which claims to be a leader in the insurance field, was previously serving many times that number.

However, Mr Ian Brimecome, vice-president in charge of the London-based insurance unit, said that would enable the bank to deal with the increasingly complex financial problems of the insurance industry.

Aside from financings and corporate finance services, he expects Bankers Trust to arrange mergers and acquisitions, an area where there is increased activity as insurance companies seek to expand outside their traditional markets.

ESTIMATED COMPARATIVE MEASUREMENTS FOR MAJOR BANKING SYSTEMS

	Adjusted return on assets (avg)	Adjusted equity/assets (avg)
Canada	0.35%	3.45%
UK	0.28%	2.35%
Japan	0.17%	3.65%
Germany	0.35%	3.60%
Switzerland	0.45%	6.50%
France	0.21%	1.20%
US	0.35%	3.70%

Moody's estimates. Adjustments made for conformity with U.S. accounting practices. Earnings adjusted to assume 8 per cent yield from Latin American loans unless adequate provision already made.

Changes at the top for embattled Disney

By William Hall in New York

MAJOR shareholders in Walt Disney Productions have installed a new management team in an effort to end uncertainty over the future direction and independence of the embattled entertainments group.

Mr Michael Eisner, aged 42, has been brought in as chairman and chief executive and Mr Frank Wells, 52, has been appointed president and chief operating officer. Both men are well known in the film industry.

Mr Eisner was president of Paramount Pictures, a division of Gulf and Western, and Mr Wells was a vice-chairman of Warner Brothers, part of the Warner Communications empire.

Mr Ron Miller was ousted as chief executive of Walt Disney Productions at the beginning of the month. The problem of choosing a new chief executive has been made more difficult by behind-the-scenes moves by several major investors who have built up sizeable stakes in the company.

According to Wall Street sources, Mr Eisner and Mr Wells were not the first choices of all the directors, but at the end of the day the wishes of several big investors prevailed. Mr Ray Watson, who has been chairman of Disney since May 1983, will be chairman of the executive committee.

Mr Watson said that the board's action was unanimous. He also said there had been "expressions of vocal support," for the new management team from key shareholders representing approximately a quarter of Disney's outstanding common stock.

They included Mr Roy E. Disney, Sharon Disney Lund, Mrs Lillian Disney and Mr Sid Bass.

WAL-MART PLANS TO ADD 105 OUTLETS THIS YEAR

Booming stores empire of an 'unknown' magnate

BY DAVID BLACKWELL IN NEW YORK

LAST WEEK'S revelation that Mr Sam Moore Walton is the second richest man in America may cut little ice with those expecting the annual Forbes magazine rankings to be dominated by names synonymous with wealth such as Getty, Rockefeller and Bunker Hunt.

Yet the news will come as little surprise to shareholders of Wal-Mart Stores, the Bentonville, Arkansas, discount store group founded by Mr Walton – and the cornerstone of his fortune.

Ten years ago Wal-Mart stores was a relatively small retailing group, with 104 outlets and profits of $5.9m on sales of $236.2m.

By the end of its fiscal year on January 31 this year its sales had reached $4.66bn giving net profits of $196.2m, or $1.40 a share. Its rapid growth has made it second only to K mart in its field and Mr Jack Shewmaker, chief financial officer, said in New York last month that he was sure the company could sustain record growth and record sales and earnings increases.

Business is booming. The company reported second-quarter sales up by 37 per cent to $1.5bn, and first-half sales up 40 per cent to $2.7bn. Net income for the quarter showed a rise of 42 per cent to $59m, and soared by 48 per cent to $102.8m for the half.

Wal-Mart still has a long way to go to catch K mart which operates 2,159 discount stores as well as other retail concerns in the U.S., Canada and Puerto Rico. K mart's first-half profits reported earlier this month were $202.4m, or $1.56 a share, on revenues of $9.23bn.

Mr Walton, the chairman and chief executive officer, founded Wal-Mart in 1962 when he opened the first store in Rogers, Arkansas. In the first half of this year alone 37 stores were opened, boosting the total to 679.

Year	Sales ($m)	Earnings ($m)
1975	236	6
1976	340	11.1
1977	479	16
1978	678	21.2
1979	900	29.4
1980	1,248	41.2
1981	1,643	55.7
1982	2,445	82.8
1983	3,376	124.1
1984	4,667	196.2

Even so, Mr Shewmaker says the first-half expansion was disappointing for the company as a bad winter had delayed construction work at many sites. By the end of this year, said Mr David Glass, chief operating officer, 105 more stores should be operating than the company had at the end of 1983.

The company's policy has been to offer the most competitive prices of any retailer in its territory.

"There are two retail strategies," said Mr Glass. "On the one hand you can go for higher prices and a great deal of promotional activity. At the other end of the spectrum there are companies like ours which go for low prices and not very frequent promotional activity. We believe we can sell highly identifiable national brands at prices lower than our competitors and still be successful."

The company's expansion policy has been both careful and systematic. Even now it operates in only 19 states, covering an area including Florida and Texas to the south, Illinois and Indiana to the north, North and South Carolina to the east and New Mexico to the west.

A store in Virginia will open this year as the company expands around its perimeters, as Mr Shewmaker put it. But "we will expand where we are until we are satisfied with our saturation," he said. He believed the company could double in size in the states it is already in.

Analysts share the group's rosy view of its future. "This is a very exciting story," said one. "They are even better than they say they are," said another. "There is a tremendous opportunity for expansion."

The company regards cost control as most important. Since 1975 every store has been equipped with a computer. Scanning of product codes is available in 100 stores and the company is committed to installing it in every outlet. Electronic ordering systems are also used.

Wal-Mart is not acquisition minded, but says that if the right situation came along it would look at it. Neither is it interested in diversification. It is interested only in the job it knows best. As Mr Glass put it: "There's too much opportunity in our existing business."

Fidelity settles for Caparo £14m offer

BY CHARLES BATCHELOR IN LONDON

CAPARO Industries, the UK engineering group controlled by Indian-born businessman Mr Swraj Paul, *yesterday agreed with Fidelity* on a £14.1m ($17.6m) cash bid for the British consumer electronics group.

Caparo, which already owns 32.4 per cent of Fidelity's shares, persuaded the electronics group's board to accept by adding £600,000 to its original offer – made on September 4 – and by offering shareholders a loan note alternative to its cash bid.

Directors and other shareholders owning 19.5 per cent of Fidelity are backing the bid, to give Caparo control of 51.9 per cent of the shares, but these shareholders have reserved the right to accept a higher offer if one is made before the first closing date of the Caparo bid.

Caparo has engineering interests making products which range from hammers to forklift trucks and dolls prams to heavy welded fabrications for the nuclear power industry. It made a pre-tax profit of *£1.93m on sales of £82m in 1983.*

Fidelity will take it into the high-technology electronics field. Fidelity makes televisions, cordless telephones, record players and tape recorders.

● Wickes Companies, the U.S. building materials retailer, said a bankruptcy court in Los Angeles has approved a plan of reorganization to cover its emergence from provisions of Chapter 11 of the U.S. Bankruptcy Code. The plan provides for the settlement of the company's remaining $1.3bn in Chapter 11-related debt.

Wickes, which filed for Chapter 11 protection in April 1982, said the reorganization plan provides for payments to creditors in cash, notes and stock.

Texas Oil set for 17% rise in income

TEXAS OIL & Gas, the diversified Dallas-based energy company, said that it expected to report a net income for its year ended August 31 of $346m, or $1.65 a share, up 17 per cent from the $295.7m ($1.41 a share) reported for fiscal 1983. Sales rose from $1.8bn to $2.1bn.

The company said per share figures were adjusted for a two-for-one stock split made in January this year.

Texas said it set its initial earnings goal for fiscal 1985 at a gain of about 15 per cent over 1984, but it warned: "We nevertheless must deal with many uncertainties."

The company said it set its fiscal 1985 capital expenditure budget at $775m "in order to take advantage of the attractive opportunities that are available to the company."

The capital expenditure budget for 1984 was $755m, up from $662.3m in 1983.

AP-DJ

Two Cleveland banks agree $416m merger

BY OUR NEW YORK STAFF

SOCIETY Corporation and Centran Corporation, two medium-sized Cleveland bank holding companies, have agreed to merge in a $416m deal which will create the second biggest banking group in Ohio.

At the end of June Society Corporation had total assets of $5.7bn and net worth of $337m; Centran had total assets of $2.9bn, and net worth of $124m.

Under the terms of the deal Centran shareholders will receive either $36 in cash or 1.07 shares of Society common stock for each of their shares. Marine Midland, the big U.S. banking group which already has a stake in Centran, will get $26m in cash and $50m in non-voting adjustable rate preferred stock of Society Corporation. Marine Midland will also receive a 15 year warrant to purchase 10 per cent of Society's common stock at an exercise price of $40 per share.

● General Mills, the big U.S. foods group, yesterday reported a further fall in net earnings in the first quarter ended August 26 from $72.5m or $1.52 a share to $54.1m or $1.20.

The 1983 quarter, however, included a $21m gain from a redeployment programme, and on an operating basis per-share earnings rose from $1.07 to $1.21. Sales edged up from $1.38bn to $1.39bn.

The company cited strong demand for its toy products, and "renewed vitality" at its Red Lobster seafood restaurants. Special retailing results were lower than a year ago, while fashion sales were flat.

Net earnings for the year ended May were down 5 per cent to $245.1m.

Alliance Oil rejects offer by Santos

By Our Financial Staff

THE BOARD of Alliance Oil Development, the Australian oil and gas group, yesterday rejected unanimously the take-over bid for the company launched last month by Santos, a fellow producer and partner in the Cooper Basin.

In its response to the Santos offer of 90 cents a share, AOD said a valuation by Schroder Darling, the merchant bank, had assessed the worth of its shares at A$1.26 (US$1.05) based on AOD's producing areas, exploration prospects, cash and other liquid assets.

Schroder Darling also argued that AOD shareholders ought to be able to count on a premium price for their shares in recognition of the gains from future oil and gas finds that they would have to forego by accepting the Santos offer.

Santos, which already held just under 20 per cent of AOD at the time it launched its bid, announced last Friday that it would not increase its offer from 90 cents. The offer valued AOD, including the stake Santos already holds, at A$105m.

In the weeks preceding the Santos bid, intense interest in AOD shares lifted the price by about 50 per cent to the 90 cents level. Santos said last Friday it had been offered "significant parcels" of shares at up to A$1, but would not increase its bid or pay more than 90 cents through the market. The offer is conditional on receiving acceptances of not less than 49.9 per cent of AOD's issued share capital.

Bond dealing licences for U.S. banks

TOKYO—The Japanese Ministry of Finance has notified three U.S. banks that they may be granted licences for dealing in Japanese government bonds.

Bank of America, Chase Manhattan Bank, and Citibank have been asked to submit official applications for final approvals and are expected to receive final approvals in the second or third week of October. They will be the first foreign banks operating in Japan to receive permission to deal in already circulated Japanese government and government - guaranteed bonds.

Other foreign banks, also interested in dealing in Japanese government bonds, will be following the lead set by the three U.S. banks. From October, Chemical Bank, Manufacturers Hanover Trust, National Westminster Bank, Banque de Indo-Suez, Morgan Guaranty Trust, and Bankers Trust Company will join the syndicate of underwriters of government bonds, the first step in the process of obtaining a licence for full dealing in Japanese bonds.

The new entries into the syndicale are not expected to be able to obtain licences for at least six months after joining the groop of underwriters.

AP-DJ

Bahrain OBU business down

By Mary Frings in Bahrain

BUSINESS IN Bahrain's offshore banking market during July fell to its lowest level since February, according to aggregate balance sheet figures of the 77 offshore banking units (OBU's) released by the Bahrain Monetary Agency (BMA) yesterday.

Total assets and liabilities amounted to U.S.$60.6bn down from $62.4bn for the previous month and compared with a monthly average of $61.4bn for the first half of the year.

Call for deeper probe into Bank Bumiputra loans

BY WONG SULONG IN KUALA LUMPUR

TAN SRI AHMAD NOORDIN, the Malaysian Auditor General, yesterday called on the Government to set up a Royal Commission of Inquiry into the Hong Kong loan scandal of Bank Bumiputra.

Tan Sri Ahmad, who is currently heading a three-man investigation team into the affair, said it could not probe deeply enough into the matter because its powers were too restricted.

He also hit out at Bank Bumiputra for dragging its feet in taking action against those responsible for the problem loans, amounting to 2.3bn ringgit (nearly US$1bn) when "distress signals" could be seen as early as 1982.

The loans were made to Hong Kong property speculators, principally the collapsed Carrian group, by Bumiputra Malaysian Finance.

Ten days ago, the Government ordered Petronas, the national oil company, to inject US$1.07bn into the bank as part of a financial rescue package. Of the problem loans 1bn ringgit had been written off and the rest transferred to Petronas.

Commenting on the transfer of the loans to Petronas, Tan Sri Ahmad said "It is still not too late to appoint a Royal Commission of Inquiry which has got all the necessary powers to establish whether or not a person or persons are criminally liable for giving out the loans."

The investigation committee was set up last January by Dr Mahathir Mohamad, the Prime Minister. It is responsible to Bank Bumiputra and is without legal immunity or powers to summon witnesses. As a result it has largely confined its investigation to the books and accounts of the bank and submitted an interim report to the government last month.

The government's refusal to order a Royal Commission of Inquiry has led to charges by opposition parties that it has been trying to cover up the loan scandal because senior government politicians were involved. The Prime Minister said earlier this year that a Royal Commission would breach banking secrecy laws.

First-half fall at Datuk Keramat

BY OUR KUALA LUMPUR CORRESPONDENT

DATUK KERAMAT Holdings, the Malaysian tin smelting company, has reported a 33 per cent drop in pre-tax profits to 3.7m ringgit (U.S.$1.5m) for the six months to July, with turnover down 15 per cent to 207m ringgit. Net profits were 27 per cent lower at 2.4m ringgit and the interim dividend is reduced from 35 cents to 20 cents a share.

The company said the profit decline was due to the continuation of export controls, which reduced volume of tin concentrates smelted at the plant, as well as the low price of tin.

It expects second-half results to improve, but full-year net profits would be less than the 7.8m ringgit of 1983-84.

● Stiff competition has reduced profit margins at Rasa Sayang Hotels, a luxury hotel group controlled by the Kuok family. Pre-tax earnings for the first half of 1984 fell by 15 per cent to 4.8m ringgit (US$2m) on turnover little changed at 21m ringgit. After-tax profit fell by 20 per cent to 4.5m ringgit after the inclusion of investmen income.

Rasa Sayang, which operates three beach hotels on Penang Island, said that, despite the stiff competition, its occupancy rate rose by 4 per cent, but room charges fell by 8 per cent.

It said it was embarking on a major marketing campaign, and expects the performance of the second half to be sustained when many of the island's hotels would be reporting sharp falls in room occupancy

Tape maker seeks public listing

BY CHRIS SHERWELL IN SINGAPORE

TONY WONG, one of Singapore's biggest manufacturers and exporters of blank cassette tapes, hopes to be the fourth company to go public in the island state this year.

The company, which has attracted "pioneer status" incentives from the government's Economic Development Board by automating its operations with robots, produces an estimated 2.5-3m cassette tapes a month.

News of the bid to go public is nevertheless surprising because the business is fundamentally unsophisticated and also controversial — Singapore is the world's largest producer and exporter of pirated cassette recordings.

Although there is no suggestion that Tony Wong supplies local pirates — the bulk of its output is actually exported to South-East Asia, the Middle East and, recently, China — it is part of an industry which has attracted considerable notoriety recently.

International recording companies — not to mention book publishers and the computer software industry — have tried endlessly to persuade the Singapore Government to frame and enforce an effective copyright protection law.

According to the International Federation of Phonogram and Videogram Producers, composers, artistes, and companies in the U.S. alone lost close to US$100m last year because of recording piracy. British and European performers also lost money.

Tony Wong is understood to have a number of artistes of its own on contract, whose work it produces. But the bulk of its business is manufacturing blank tapes, under its own name. Turnover and after-tax profits have both increased sharply over the past year.

BASE LENDING RATES

A.B.N. Bank	10½%	■ Hill Samuel	§10½%
Allied Irish Bank	10½%	C. Hoare & Co.	†10½%
Amro Bank	10½%	Hongkong & Shanghai	10½%
Henry Ansbacher	10½%	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	11 %
Associates Cap. Corp.	10½%	Lloyds Bank	10½%
Banco de Bilbao	10½%	Mallinhall Limited	10½%
Bank Hapoalim	10½%	Edward Manson & Co.	11½%
BCCI	10½%	Meghraj and Sons Ltd.	10½%
Bank of Ireland	10½%	Midland Bank	10½%
Bank of Cyprus	10½%	■ Morgan Grenfell	10½%
Bank of India	10½%	National Bk. of Kuwait	10½%
Bank of Scotland	10½%	National Girobank	10½%
Banque Belge Ltd.	10½%	National Westminster	10½%
Barclays Bank	10½%	Norwich Gen. Tst.	10½%
Benaficial Trust Ltd.	11½%	People's Tst. & Sv. Ltd.	12 %
Brit. Bank of Mid. East	10½%	R. Raphael & Sons	10½%
■ Brown Shipley	10½%	P. S. Refson & Co.	10½%
CL Bank Nederland	10½%	Roxburghe Guarantee	11½%
Canada Permn't Trust	10½%	Royal Bk. of Scotland	10½%
Cayzer Ltd.	10½%	Royal Trust Co. Canada	10½%
Cedar Holdings	11 %	■ J Henry Schroder Wagg	10½%
■ Charterhouse Japhet	10½%	Standard Chartered	‖10½%
Choulartons	11½%	Trade Dev. Bank	10½%
Citibank NA	10½%	TCB	10½%
Citibank Savings	¶12 %	Trustee Savings Bank	10½%
Clydesdale Bank	10½%	United Bank of Kuwait	10½%
C. E. Coates & Co. Ltd.	11½%	United Mizrahi Bank	10½%
Comm. Bk. N. East	10½%	Volkskas Limited	10½%
Consolidated Credits	10½%	Westpac Banking Corp.	10½%
Co-operative Bank	*10½%	Whiteaway Laidlaw	11 %
The Cyprus Popular Bk.	10½%	Williams & Glyn's	10½%
Dunbar & Co. Ltd.	10½%	Wintrust Secs. Ltd.	10½%
Duncan Lawrie	10½%	Yorkshire Bank	10½%
E. T. Trust	11 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	10½%		
Robert Fraser	11 %		
Grindlays Bank	‡10½%		
■ Guinness Mahon	10½%		
■ Hambros Bank	10½%		
Heritable & Gen. Trust	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%. 1 month 8.00%. Fixed rate 12 months £2,500 9.75% £10,000. 12 months 10.00%.
† 7 day deposits on sums of under £10,000 7¾%. £10,000 up to £50,000 8%. £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 7¾%.
‖ 21-day deposits over £1,000 8¼%.
§ Demand deposits 7¾%.
¶ Mortgage base rate.

INTERNATIONAL COMPANIES and FINANCE

NYSE to expand options trading

BY OUR FINANCIAL STAFF

THE NEW YORK Stock Exchange plans to introduce trading in several new options contracts, including individual stocks, by the end of the year.

Mr Ivers Riley, the exchange's executive vice-president for options and index products, said that if the Securities and Exchange Commission approves its application as expected in October, the NYSE would be ready to begin individual stock options trading within a few months.

Mr Riley said the planned expansion reflects the success of options trading which began on a NYSE composite index-based contract last September. It now includes another contract based on the composite index and a more narrowly based telephone stocks index contract.

He said the NYSE would seek to trade stock options in new and recent additions to the Big Board, such as American International Group, and certain other "desirable listings."

Options analysts said top of the "desirable listings" would probably be the regional holding companies spun off from American Telephone & Telegraph (AT&T).

They added that Chrysler may become eligible for listing in the not too distant future.

Mr Riley said the National Association of Securities Dealers (NASD) had applied to start options trading in its own stocks. He added that the most likely outcome of any conflict between the NYSE and the NASD would be that both would be allowed to trade over-the-counter stock options.

Leifheit oversubscribed

BY JOHN DAVIES IN FRANKFURT

THE PUBLIC share issue in West Germany for Leifheit, the household appliance subsidiary being hived off by ITT of the U.S., has been oversubscribed.

Deutsche Bank, which headed the consortium of banks organising the issue, said that the offer was closed ahead of schedule yesterday, a day earlier than envisaged.

A total of 65 per cent of Leifheit's ordinary capital was offered at a price of DM 300 for each DM 50 share to raise DM 78m. The other 35 per cent is already being placed with institutions to raise DM 42m.

Leifheit, whose shares will be traded on the Frankfurt stock exchange from next week, earned DM 10.35m net profit on sales revenue of DM 97.17m last year.

ITT has indicated that it is floating off Leifheit to concentrate on high technology, and that the DM 120m raised will be used partly to reduce borrowings.

Flick drops plan to hive off special steels offshoot

BY JOHN DAVIES IN FRANKFURT

FLICK, the privately-owned West German industrial group, has decided against going ahead with a plan to hive off its special steels company, Edelstahlwerke Buderus.

Last July, it was announced that Flick would sell the steel unit to BHF-Bank, which planned to place some shares with investors and later arrange a stock market launch.

The bank now says that there has been a reassessment of the role of Edelstahlwerke Buderus in the Flick group and as a result the steel unit is to remain part of the Flick concern.

Flick has also engaged BHF-Bank to act as an adviser on the Flick group. The bank will look at a broad range of financial and strategic questions.

The Flick concern, which includes chemicals and armaments, reported sales revenue of DM 9.95bn ($3.25bn) last year, with sales of Edelstahlwerke Buderus at DM 411m.

The group, headed by Dr Friedrich Karl Flick, has become involved in controversy in West Germany over tax allowances granted on gains made from the sale of a stake in Daimler-Benz in the 1970s.

There has also been speculation that Flick may want to reduce its industrial holdings, notably Krauss-Maffei, its defence subsidiary, which makes the Leopard tank. Messerschmitt-Boelkow-Blohm (MBB), the aerospace and defence concern, has expressed interest in arranging a takeover of Krauss-Maffei by a consortium of companies.

Montedison turnover up 19.4% at mid-term

By Alan Friedman in Milan

MONTEDISON, Italy's leading chemicals group, yesterday reported a 19.4 per cent rise in turnover during the first half of 1984, to L5,946bn ($3.2bn).

But the company, while predicting it will achieve a break-even result for the whole of this year, refused to quantify its first half net losses. Last year Montedison incurred a L322bn loss on turnover of L10,660bn — a significant improvement on 1982 losses of L859bn.

At the operating level, Montedison's margin rose from 7.4 per cent of turnover in the first half of 1983 to 10.4 per cent. This translates into an operating profit of about L600bn.

Montedison group debt at the end of June was up above L400bn — an increase of about L100bn over six months. But the group says total borrowings will fall back below L4,000bn by the year end.

The cost of debt servicing represented around 6 per cent of total first half turnover, or about L357bn.

Sig Mario Schimberni, Montedison president, has in recent years been putting the group through a radical management reorganisation and selling off loss-makers. He has also worked to simplify the group's product lines.

In addition, Sig Schimberni has been working with financial advisers to reduce debt and to switch short-term debt to longer.

This year the prices of several Montedison chemicals products have also been increased, without having an adverse impact on orders.

Montedison spent about L282bn on capital investments (L223bn in the first half of 1983) and L130bn on research (up slightly on the L120bn spent in the first half of last year).

● Credito Italiano, Italy's Milan-based fourth largest bank, increased net profits by 19 per cent in the first half of 1984, to L30.8bn ($16.1m). The bank, which is the third of the IRI-controlled state banks to report first half results, said total deposits increased by 15.8 per cent during the 12-month period to June 30, to L30,570bn.

Alan Friedman examines the prospects for a gradual opening up of the Pesenti empire

Italmobiliare prepares to loosen the veils

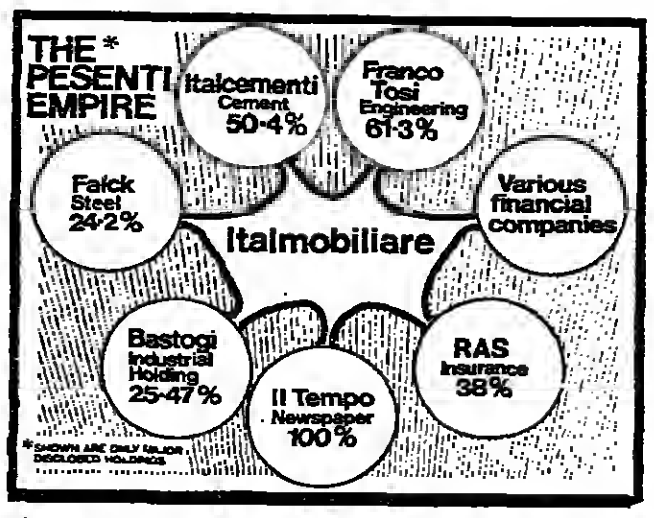
"CARLO PESENTI and his type have done more damage to the reputation of Italian industry than all of the left-wing critics of capitalism. Only when Italy's industrial leaders accept this reality will the image of Italian industry take a real step forward."

These are the harsh words used by Dr Eugenio Scalfari, the highly respected editor of Italy's La Repubblica newspaper, to describe the death on Friday of Sig Carlo Pesenti, the cement baron whose dealings with the Vatican and with Banco Ambrosiano and others made him one of the legendary figures of Italian finance and industry.

Sig Pesenti, who was 77, died in a Montreal hospital just hours before he was due to stand trial in Milan on a charge of irregular share dealings in connection with Banco Ambrosiano, of which he was a director.

His death removes from the Italian industrial scene one of its most combative and powerful personalities. He leaves behind him an enormous empire of insurance, steel, press, engineering and financial operations centred on the Pesenti master company, Italmobiliare.

But it is an empire which is crippled by a weak capital base and an estimated L500bn to L800bn ($422m) of debt.



Oddly enough the death of Sig Pesenti sent share prices of his company rocketing upward on the Milan Bourse on Friday and yesterday. The feeling is that some order might now be brought to the remains of the Pesenti empire, possibly through the sale of a major asset.

Carlo Pesenti was first and foremost a Roman Catholic financier of the old school. Born in Bergamo, in the foothills of the Alps, he made his way to the top through a series of carefully nurtured political and religious associations in post-war Italy.

His friendship with leading right-wing politicians may have helped him to profit from the booming construction industry—cement prices somehow managed to travel in his favour. His close ties to the Vatican, including numerous share dealings and overlapping directorships, could not have hurt either.

But the Pesenti philosophy was to expand constantly on the back of bank loans. If there was was not enough bank finance around he would buy banks. Indeed he became for a time Italy's largest owner of private banks, and in 1982 was the single largest shareholder of Banco Ambrosiano, the bank controlled by another Catholic financier, the late Sig Roberto Calvi.

Sig Pesenti's house of cards began to collapse during the last decade. This temporary control of the Lancia car company ended in humiliation when he was forced to turn Lancia over to the Agnellis of Fiat fame. A financial joust with Sig Michele Sindona, the convicted Sicilian financier, left Sig Pesenti bloodied.

Over the past five years Sig Pesenti, who had been living in seclusion in Monte Carlo, had to sell off four banks. The last to be sold was Banca Provinciale Lombarda, which went to Turin's San Paolo bank last month for L480bn. Now there are hopes in Milan financial circles that the Pesenti family will sell its stake in the Ras insurance group, Italy's second largest insurer.

Last month Sig Pesenti sold his La Notte newspaper to the Rusconi group for L6bn. But the patriarchal influence of Sig Pesenti was still strong enough for the La Notte editor tosplash his front page on Friday with "The tears in my eyes as I write."

Other interests which could be sold off included 61.3 per cent of the Franco Tosi electrical engineering group, 25.47 per cent of the Bastogi property and industrial holding group, and control of Il Tempo, the Roman daily, and of course the Italcementi cement business. All of these disclosed holdings, as well as others, form parts of Italmobiliare.

At the time of his death last week Sig Pesenti was not only due to face trial in Milan, but was also under separate investigation by magistrates in connection with a 1972 loan agreed by the Vatican's bank chairman, Archbishop Paul Marcinkus.

The investigation of the 1972 Vatican loan will continue, however, at least for the Archbishop and two of his senior Vatican bank colleagues.

The ghost of the intensely secretive Carlo Pesenti therefore, seems destined like so many others of his ilk, to haunt Milanese financial circles and the broader consciousness of Italian industry.

It will not be long before another Pesenti company is sold, but it seems unlikely that the true story of Pesenti dealings with the Vatican will ever be told in full.

French Esso returns to the black in first half year

BY PAUL BETTS IN PARIS

ESSO SAF, the French subsidiary of the Exxon oil group of the U.S., has registered a FFr 133m ($14.1m) profit for the first half of this year, compared with a loss of FFr 307m in the corresponding period last year.

The return to the black reflects strong earnings from Esso's domestic oil exploration and production business which offset losses in the refining and marketing sector.

Refining and marketing net losses in the first half totalled FFr 292m compared with FFr 729m last year. This was offset by earnings of FFr 425m from exploration and production operations.

Esso, the largest oil producer in France, has recently started to cash in on its Chauney oil field discovery in the so-called Paris basin. But like other French refiners, it has continued to suffer losses as a result of the French Government oil products price fixing formula coupled with the depressed level of international oil product prices.

● Automobiles Peugeot, the car division of the private French group embracing the Peugeot and Talbot marques, has appointed M Jean Belliot as chief executive to take over from M Jacques Calvet, who was recently appointed chairman of the Peugeot group. M Belliot was up to now deputy to M Calvet at the car division. As chairman of the Peugeot group, M Calvet would no longer remain chief executive of both the Automobiles Peugeot and Citroen operating divisions. M Calvet remains chief executive position at Citroen.

French state bond raised to FFr 20bn

By Our Paris Staff

THE FRENCH Government has increased its third state bond offering of the year by FFr 5bn to FFr 20bn ($2.13bn).

The third state bond issue was announced last week by M Pierre Beregovoy, the French Finance Minister. It involved initially a total of FFr 15bn to help finance the 1984 budget deficit now expected to total FFr 140bn compared with earlier estimates of about FFr 126bn.

The decision to increase the latest state bond offering, as with past issues, follows market demand.

The latest issue is split into two tranches — a FFr 4bn tranche involving an eight-year maturity with a 12.20 per cent coupon, and a second tranche involving a 12-year maturity with a coupon of 11.60 per cent.

Surge in orders brightens Sulzer Brothers outlook

BY JOHN WICKS IN ZURICH

SULZER BROTHERS, the Swiss engineering concern, expects "substantially better results" for 1984, according to Mr Pierre Borgeaud, managing chairman. Last year, the group had shown consolidated losses of SwFr102m ($40.8m) after corresponding 1982 profits of SwFr 30m.

New-order value in the Sulzer group as a whole was up 38 per cent in the first half over the corresponding 1983 period and that of the Swiss works alone by 44 per cent—well above the national average. This was, however, due partly to the booking of the large-scale Ataturk power-station order in Turkey and the comparatively low standing of orders received in the first six months of last year.

Despite the considerable improvement expected by Mr Borgeaud, it seems unlikely that Sulzer will return to the profits zone this year. In April, he had told the annual press conference in Winterthur that the company would not be out of the red for 1984 as a whole, though added the management hoped for a "nearly balanced result."

● Ems-Chemie Holding, the Swiss chemical group, reports parent company net profits of SwFr 21.3m ($8.5m) for fiscal 1983-84 and is proposing a 5 per cent dividend, its first payout for two years. Profits for fiscal 1982-83 were only SwFr 4m, which arose from a property revaluation and not from real earnings.

The company said improved business in plastics and synthetic fibres more than compensated for a further, though smaller loss at Ems-Inventa of Zurich, the chemical engineering offshoot.

A further improvement in profitability is forecast for the current year.

Freemans heads for record year

GIVEN NO major and unexpected setback in the second six months, Freemans, the mail order group, should achieve record profits for the year ended January 1985, says Mr John Brooman, chairman.

At the taxable level, profits have reached £9.22m (£4.57m) for the first 28 weeks to August 11 1984. Turnover was £176.77m, against £162.52m, including VAT of £20.53m (£18.74m).

The group's record is £16.7m, reached in 1978-79, and after a strong recovery last year from £6.36m to £14.13m, Mr Brooman says this "major objective" should be met.

Second-half profits for 1982-83, which came out at £9.56m, benefited from certain circumstances which are unlikely to recur this year. However, the chairman says that the extra sales now being achieved allow the company this year at least the hope of matching those second-half figures.

Another major objective in the current year is to return to volume growth. Mr Brooman says that some 50 per cent of the 8.8 per cent sales lift in the first half can be attributed to greater volume.

He adds that since August 11 sales have continued to show a similar rate of increase. Stocks have been brought in earlier this autumn and are at an adequate level for the expected Christmas business.

Interest charged for the first half was down from £1.15m to £664,000 and tax took £4.15m, against £2.33m.

Earnings per 25p share were 7.2p (3.2p) and the interim dividend is increased slightly from 1.9p to 2p net. Directors say they would expect a greater percentage increase in the final payment—last year's distribution was 2.8p.

● comment

The mail order sector is notorious for upsetting the City's predictions—but it looks as if Freemans is on its way to £19m profit pre-tax this year. The group is regarded as one of the best managed in the sector and like others, it is still reaping the benefits of earlier rationalisation which dropped many of the unprofitable agencies and slimmed working capital requirements. It might look like overdue husbandry but at least this year should surpass the record of the late seventies. But Freemans is arguably at the top of this tidying-up process and the City's long term doubts of how the mail order sector fits into the retailing environment of the next few years remain as valid as ever. Freemans takes the line that the analysts are too busy with the ghost of Christmas future and its management team is well up to facing the challenge of change when it arrives. A prospective p/e of 8.1 at 122p has already acknowledged the potential downside and short term the shares are inexpensive.

MCD Group more than doubles in six months

BOOSTED BY acquisitions and improved results from all its distribution activities the MCD Group saw its profits before tax more than double over the first half of 1983.

Trading over the first two months of the second half has continued at a highly satisfactory level and with the normal seasonal increase expected in the latter part of the year, the outcome for 1984 is viewed with confidence.

Turnover for the first six months improved from £13.48m to £17.51m and pre-tax profits surged by £488,000 to £945,000. The group, based in Bridgend, wholesales floor coverings.

Mr P. J. Custis, the chairman, says the group benefited from additional profits arising from the acquisition of Bailey Carpets and Bailey Carpets International in January of this year together with improved levels of profits from all distribution activities.

Stated earnings rose from 1.39p to 2.96p and an interim dividend of 1p is being paid. A single dividend of 1.5p was declared for the 1983 year when taxable profits totalled £1.79m.

Interest charges for the first six months accounted for £113,000 (£80,000) and tax took £437,000, compared with £228,000. Net profits came through £289,000 higher at £508,000.

Mr Custis tells shareholders that negotiations are at an advanced level for the sale of Trafford Carpets, the group's carpet manufacturing subsidiary.

The group was the subject of a reverse takeover in 1983. Its shares were acquired by Trafford Carpets, for some £4m, which subsequently changed its name to the MCD Group.

S. Casket set for sharp profit rise

Profits before tax of S. Casket (Holdings) rose from £514,000 to £826,000 in the 12 months ended June 30 1984 and the company, a clothing distributor and retailer, is lifting its dividend by 0.225p to 2.1p with a final of 1.4p net. A one-for-ten scrip issue is also proposed.

Group chairman, Lord Barnett, says the policies determined are coming to fruition and the group appears to be "well on target to seeing profits reach seven figures this coming year."

He adds that beyond that, steps are being taken to ensure continued growth and that acquisition possibilities are being pursued.

Turnover for 1983-84 slipped from £18m to £17.85m. Tax took £184,000 (£121,000) and extraordinary items £201,000 (£17,000) being closure costs and a provision for anticipated losses.

Earnings amounted to 6.14p (3.62p) per 10p share.

Jebsens in loss

Jebsens Drilling, owner and contractor of offshore drilling units, swung from pre-tax profits of £11.4m to losses of £3.9m in the opening half of 1984 and the interim dividend is being omitted—shareholders received 3.5p net previously.

Turnover for the period dropped from £32.5m to £17m. There was a loss per 25p share of 20p, against earnings of 30.7p.

The Alladdins contract with BP continues until December 1986. The remaining units which were not fully employed during the first half of the year are now all under short-term contracts. Although these contracts do not extend beyond the end of 1984 world-wide semi-submersible utilisation has increased from a low of 79 per cent in October 1983 to 89 per cent in August 1984.

This trend is expected to continue and the company expects an increase in total rig utilisation, day rates and contract lengths during the next year. Jebsens' shares are traded on the USM.

Gartmore Information

Gartmore Information & Financial Trust has announced lower pre-tax revenue of £539,000 compared with £586,000, for the six months to June 30, 1984.

Earnings per 25p share were shown as 0.42p against 0.5p adjusted at December 31, 1984. Net asset value is 58.8p (63.5p adjusted).

Tax was up by £14,000 at [illegible]15,000, leaving £325,000 (£384,000). Management expenses took £170,000 from gross revenue, against £89,000, and bank and loan interest charges were £658,000 (£561,000).

Clarke Nickolls

Clarke, Nickolls and Coombs, property investor and developer, reports higher taxable profits of £323,929, against £237,443, for the first six months of 1984.

Turnover amounted to £503,478, compared with £490,532, and gross profits totalled £475,563 (£482,019). The taxable result included related compared with £490,532, and gross profits totalled £475,563 (£482,019). The taxable result included related companies' profits of £225,509 (£246,973) and a positive contribution this time of £51,419 (loss £141,233) from joint ventures. Interest charges

Earnings per share declined from a stated 4.26p to 3.79p but the interim dividend is being edged up 0.1p to 2.1 net. Tax took £130,000 (£19,500).

Gadek (Malaysia)

A continuing improvement has been shown by Gadek (Malaysia) Bhd for the first half of 1984, with a turnround to pre-tax profits of £314,543 against losses of £7,997, and a return to the dividend list with an interim payment of 2.5 Malaysian sen.

Tax took £134,183 (£3,500). Earnings per Malaysian $1 share are shown as 2.1 sen (nil).

Reduced Nathan loss keeps Parker Knoll just ahead

REDUCED losses at Nathan Furniture and lower interest payable have enabled Parker Knoll to slightly increase its profits from £3.12m to £3.2m at the pre-tax level for the year ended July 31 1984. Profits at midway were £1.42m against £1.4m.

Turnover of this High Wycombe-based furniture maker, which also manufactures carpets and furnishing velvets, went ahead from £38.84m to £40.88m.

Mr M. H. T. Jourdan, chairman, says that despite the continuing industrial unrest and indications of a decline in the rate of economic growth, he remains optimistic for the current year.

After tax of £1.22m, against £1.12m, earnings per 25p share were 27.2p, compared with 27.4p, and same-again final payment of 6p takes the total dividend distribution up from 8.5p to 9p.

During the second half Mr Jourdan says that Nathan effectively broke even, the modest profit of £7,000 restricting the year's loss to £104,000, compared with £764,000 last time. He points out that this company remains dependent upon some increase in demand and further increases in productivity "before we can achieve a satisfactory level of profit."

Group trading profits amounted to £3.26m against £3.29m, and were split as to: Parker Knoll Furniture £1.51m (£1.8m); Parker Knoll Textiles £1.21m (£1.39m); Mercia Weavers £57,000 loss (£114,000 profit); K. Raymakers & Sons £702,000 (£751,000); Nathan Furniture £104,000 loss (£764,000 loss).

Interest payable was down from £166,000 to £57,000.

Mr Jourdan says that profits in Parker Knoll Furniture were down because of lower sales in a market which, against expectations worsened in the second six months.

During the last two years the textile division has invested heavily in the development and marketing of a substantial number of new ranges and the chairman is confident the group will see "significant progress from this division in the current year."

Mr Jourdan says it was a disappointing year for Mercia, but this company starts the current year with an order book higher than at any time during the last 12 months.

After an extraordinary debit last time of £74,000, and dividends of £657,000 (£620,000) the balance retained came through little changed at £1.33m (£1.3m).

● comment

A close look at Parker Knoll's latest results—it managed to hold its own, just—shows that the small profits rise is due entirely to loss reduction at Nathan, whose second-half profit is the first occasion that that company has entered the black since its acquisition nearly three years ago. The fact that profits elsewhere in the group were weaker highlights PK's fundamental problems—a soft market and a conservative management style, the combination of which explains the historic share multiple of 6.8 at 156p. Of the former there is no dispute, as results elsewhere in the sector testify. To combat this PK is concentrating—with some success—on improving the product range and trimming capacity to suit demand. But it is also sticking rigidly to a policy of maintaining margins—at the risk of losing even more volume. Potential growth is therefore restricted to finding new markets for existing products and the development of completely new products. The former will be difficult and there will have to be a lot more Parker Care specialist chair ventures to produce anything but meagre profits growth. At least the balance sheet is strong.

BOARD MEETINGS

TODAY

Interims—Bank of Scotland, Combined English Stores, Cussins Property, Dencora, Estates and General Investments, Falcon Industries, Finlay Packaging, Hoskins and Horton, IOC, Lorin Electronics, William Morris Fine Arts, Northern Engineering Industries, Octopus Publishing, Scott and Robertson, Steetley, Stockley, Sunlight Service, United Newspapers, Watmoughs.

Finals—Acorn Computer, Baillie Gifford Japan Trust, Arthur Bell, Dunton, Gibbs Mew, Logica, Minerals and Resources Corporation, Park Place Investments, Samuelson.

FUTURE DATES

Interims—

Comfort Hotels International	Oct 2
Dunlop	Sept 27
F. & C. Pacific Investment Tst.	Sept 27
Fleming Universal Invest. Tst.	Sept 27
Northern Securities Trust	Nov 8
Portsmouth and Sunderland Newspapers	Nov 8
Raybeck	Oct 12
Smith St. Aubyn	Oct 17

Finals—

A & G Security Electronics	Sept 28
Raine Industries	Oct 2
Renishaw	Oct 4
Solicitors Law Stationery Soc.	Sept 27
Tomatin Distillers	Oct 6

Boase Massimi boosts activity

IN ITS second year as a publicly-quoted company Boase Massimi Pollitt has shown a further substantial increase in activity.

Over the first six months of 1984 this London-based advertising agency pushed its turnover up by 46 per cent to £28.43m (£19.47m) on which pre-tax profits of £1.09m were earned, compared with £603,000 previously.

The 81 per cent rise in profits reflected an increase in financial income caused by the group's improved cash position.

Satisfactory results are anticipated for the full year.

Meanwhile, the interim dividend is being stepped up from 2p to 2.5p net per 25p share—a final of 3.5p was paid last time from taxable profits of £1.65m (£790,000).

Group chairman Mr Martin Boase says substantial new accounts have been gained during the current year following a successful inflow last year.

Tax took £515,000 (£332,000) to leave the net balance 113 per cent higher at £576,000, against £271,000.

Earnings emerged at 11.17p (5.25p) per share. The retained surplus totalled £437,000 (£158,000).

● comment

Boase continues to march several steps ahead of its rivals, with a 46 per cent sales gain indicating that it is growing roughly three times as fast as the industry average. Operating margins, meanwhile, have widened to 3.5 per cent, although the group points out that for the year as a whole they should return to 1983 levels of just under 3 per cent. The apparent distortion arises because clients are spreading their media spending more evenly, thus redirecting revenue into the usually underweight first half. At the pre-tax line, there is a more lasting benefit to margins from an improvement in interest receivable, a reflection of a doubling in cash balances to £2m. That situation should improve further in the current half as the first earnings from new contracts start to flow. Boase has booked £12m in new billings (net of terminated contracts) including the Bank of Scotland, its first incursion into financial services. It is reasonably certain of bringing in a further £10m in the near future. An acquisition of a smaller related company is still high on Boase's list of priorities, though the group can afford to take its time at its present growth rate. The shares rose 5p to 520p, where the yield is 1.6 per cent.

UK COMPANY NEWS

Enterprise makes £66m as activity increases

FIRST figures from Enterprise Oil, exploration and production group, since the offer for sale last June, reveal a pre-tax profit of £66m for the six months ended June 30 1984 from turnover of £111.7m. For the comparative eight months trading to December 31 1983, the taxable surplus amounted to £83.2m and turnover reached £142.5m.

Directors have forecast a pre-tax figure of £113m for the whole of 1984 with a return of 7p per 25p share for shareholders. As announced last June, an interim distribution of 3p will be paid.

Mr William Bell, chairman, says the period was one of major change for the company during which most key staff appointments were made and Enterprise entered the private sector. It is now proceeding vigorously with its development as "one of this country's major independent oil companies."

He points out that between the offer for sale and July 10 Rio Tinto-Zinc acquired 29.9 per cent of the group's equity and announced that it did not intend to increase the holding in the foreseeable future. Enterprise is having commercial discussions with a number of companies, including RTZ, to identify opportunities to be pursued in the interest of all of the group's shareholders.

The offer for sale, by Kleinwort Benson on behalf of the Secretary of State for Energy, was of 212m ordinary 25p shares at a minimum tender price of 185p, with a provision for persons applying for no more than 2,500 shares to apply at the striking price.

Applications were received for 140.87m shares, among which were tenders for 105m shares (49.83 per cent) from nominees of RTZ Corporation. The Government exercised its right of rejection in respect of 84m shares applied for on behalf of RTZ, with a view to ensuring that no individual or company should hold more than 10 per cent of equity as a result of flotation.

Cost of sales took £47.5m for the six months, against £61m, leaving a gross profit of £64.2m (£81.5m). The pre-tax figure was after exploration costs written off £0.3m (nil), administrative and selling expenses £1.3m (£0.9m), and included interest receivable of £3.4m, against £2.6m.

After tax £39.9m (£52.4m), and flotation costs of £2.3m the attributable balance came through at £33.8m, compared with £30.8m. The interim dividend will absorb £6.4m. Earnings per share were 12.31p (14.53p) after six months and directors forecast a year end figure of 22.17p.

Turnover for the period benefited from the weakening of sterling as all the company's oil was sold to the British National Oil Corporation at term prices, based on a market of $30 per barrel.

Despite substantial expenditure on the Hutton project, cash and short term investments rose by £21m to some £90m by end June.

As envisaged in June, exploration activity is now increasing rapidly, the chairman states, and may involve more substantial provision in the second half of the year depending on results of the drilling programme currently in progress.

The company's production entitlement from its four producing fields—Beryl, Fulmar, North-west Hutton and Montrose—averaged 29,000 barrels per day

See Lex

Mr William Bell (left) chairman, and Mr Graham Hearne, chief executive, of Enterprise Oil . . . exploration may involve more substantial provision in second half

Wordplex on target with £0.8m

IN LINE with the forecast made last April at the time of the offer for sale, taxable profits of Wordplex Information Services, office automation systems manufacturer, amounted to £810,000 for the first six months of 1984, compared with losses last time of £175,000.

Turnover at midway expanded by 43 per cent to £21.7m, against £15.12m, and included the results of Australian subsidiary, acquired last December.

As indicated in the prospectus, there will be no interim dividend, but in the absence of unforeseen circumstances a final of not less than 1.7p will be recommended for the year, the directors state.

After tax of £205,000 (nil) earnings were £605,000 (£175,000 loss) or 8p (2.9p loss) per 50p share.

In February, the group launched the 8000 multi-terminal office automation system, which has been well received in the market-place. It is anticipated that sales of the 8000 Series and associated terminals will grow substantially to represent an increasing proportion of the company's turnover in the coming years.

While UK operations made the major contribution to earnings, a significant performance was achieved by the Australian subsidiary. *The restructuring of operations in the U.S. continues.*

The offer for sale by tender was of 9.96m shares at a minimum price of 240p. Striking price was 285p and applications were received for some 19m shares.

Travis & Arnold advances 14% to £4.6m midterm

FOLLOWING AN increase in taxable profits from £7.49m to £8.43m for the whole of the previous year, the pre-tax figures of Travis & Arnold, Northampton-based builders' and plumbers' merchant, timber importer, improved to £4.63m for the six months ended June 30 1984, compared with £4.06m, a rise of 14 per cent.

In April, the directors said that sales for the first quarter of the year showed a reasonable improvement on the comparative period the year before, and prevailing conditions indicated a satisfactory performance would be achieved in the current year.

Mr E. R. A. Travis, chairman, now says the current national industrial relations problems and the increase in interest rates make it more difficult to forecast prospects for the second six months of 1984.

"Should these factors prove to be temporary then the underlying demand to build and improve homes should allow us to report a satisfactory performance for the year," he states.

Turnover in the first half expanded by £9.09m to £64.01m. The chairman points out that the volume of timber and building materials sold during the period was higher than a year earlier because of a temporary rise in demand, in April and May, as a result of the inclusion of VAT on home improvements since June 1.

Profits included investment income of £426,000, compared with £391,000, but were subject to tax charges of £1.93m, against £1.8m.

Earnings per 25p share were 15.7p (13.2p) and the interim dividend is lifted to 1.95p (1.88p) net—last year's final payment was 5.145p.

The chairman points out that at the end of June the company sold its leasing subsidiary which realised a profit of £512,000. This is shown as an extraordinary item, after which attributable profits came through ahead by virtually £1m at £3.21m (£2.26m). After dividends the retained figure was £2.86m, against £1.96m.

● comment

Travis and Arnold failed to live up to the highest hopes of a market which was buoyed by expectations of greater gains from the surge in demand for building materials in advance of the June imposition of VAT on home improvements. The company also suffered from a levelling off in a steady increase in timber prices which has persisted for the past 18 months. Trading margins fell fractionally from 6.6 per cent to 6.5 per cent. It was enough to take the shares down 17p to 280p, where they are near the bottom end of this year's trading range. At this level they are probably somewhat undervalued. Certainly, the company is exposed to the swings of the housing cycle, but its business is well spread between new build and repair and improvement work. It is strong in East Anglia where the population is growing, and it has the means—in the form of a mounting cash pile now up to £10m—to buy its way into new areas including London and the South East. There may be some truth in the argument that Travis passed up a good growth opportunity in deliberately rejecting expansion by building DIY superstores. But in return investors can feel confident that Travis, by relying on the jobbing builder who typically buys supplies from the same store time and again, has a very solid customer base.

Rationalisation starts to benefit George Spencer

George Spencer, maker of leisurewear and knitwear, reduced pre-tax losses from £422,000 to £242,000 for the first half of 1984, and the directors envisage that the improved performance will continue during the second six months.

There is however, no interim dividend (0.1p net) and as already announced, the preference dividend due on September 19 has not been paid. Losses per 25p share are shown to have decreased from 7.1p to 4.1p.

The rationalisation measures instituted throughout the group at the beginning of the year are now starting to show positive results at the trading level, with some divisions trading profitably during June, the directors report.

Progress has also been made in building up the forward order book which extends well into spring 1985, traditionally the more difficult half of the year.

The planned disposal of surplus property and assets has been disappointing to date, but implementation of these plans remains a top priority to the board, in order that the "unacceptably" high level of bank borrowings may be reduced, the directors state.

Group external turnover for the half year fell from £4.78m to £3.35m.

Link House nears £8m with growth all round

THE ELIMINATION of losses in its magazine and book operations together with a satisfactory improvement in advertising periodicals enabled Link House Publications to lift its pre-tax profits by £1.49m to £7.89m over the 12 months ended June 30, 1984.

And, with earnings ahead from 25.79p to 35.26p per 20p share, the dividend for the year is being stepped up by 1.8p to 15.7p by an increased final of 10.7p (9.4p).

Turnover improved from £28.21m to £30.4m. Tax charge was £3.66m (£3.31m).

The results of the division are influenced by Exchange & Mart and during the period there was an adverse variance of 52 issues against 53 issues published in 1982-83. Despite this imbalance, the division achieved a satisfactory increase in both turnover and profits in what was "a very challenging year."

Exchange & Mart's experienced a "modest" decline in advertising and circulation volumes but trading over the last quarter implies that this trend is being arrested and profits are showing "encouraging signs" for the coming year.

Although the magazine division experienced a difficult year it managed to eliminate last year's losses and produce a small trading profit. Magazine copy sales generally remained at a depressed level but the majority of the division's titles improved their market share.

The books division made good progress and returned to profit after the losses of recent years. In North America, despite a small fall in volume sales, revenue increased significantly.

Following a major examination of links operating structure and systems, the group was reorganised during the year. The main effect was to decentralise as many activities as practical to the operating divisions.

This reorganisation will be completed by the autumn of this year and the total one-off cost incurred in implementing the plan will be within the £0.5m previously indicated.

The medium-term strategy of the directors is to produce controlled growth from the rationalised activities the group now has in each division. This will be allied to acquisitions both in the UK and the U.S. which either complement the current strengths or provide an attractive opportunity in a new area allied primarily to advertising, publishing or communications.

● comment

As the 15p jump in the share price to 500p suggests, these are better figures than looked for from Link House. Now that the magazine and books divisions have been swung back into the black, the group's chief priority is to bring their profit margins and return on capital to acceptable levels. This does not necessarily mean equalling the performance of Exchange and Mart, whose margins are running at 46 per cent and whose return on capital is out of sight. But the portfolio of magazine titles now seems to have been slimmed down to the areas of audio/electronics and motoring, with a fair spread between consumer and technical. Exchange and Mart's circulation, meanwhile, is still in modest decline; but with readers per copy up from six to nine in the past five years, advertising revenues look secure. A figure of £9m pre-tax looks achievable in the current year, putting the shares—on a 48 per cent tax charge—on a multiple of close on 13. Fair value, but no longer bargain basement.

Hestair dives into losses but expects better second half

Hestair, the Windsor-based industrial group, has suffered a severe downturn in the six months to July 31 1984 resulting in a pre-tax loss for the period of £107,000, as against a £1.31m profit last time.

Mr David Hargreaves, the chairman, says the reasons for the setback are threefold. First, the continuing difficulties at Dennis, second, the higher than anticipated cost of reorgonising Duple Coachbuilders and third, the *temporary* disruption in output caused by Kiddicraft's move to larger premises near Bristol.

In the short-term, he is looking for a better second half. While, he says, the overall dividend level for the year must depend on the final figures and prospects for 1985, the interim dividend is being maintained at 1.5p net—last year's final was 2.075p on £2.63m profits.

Looking ahead, the group's problems are concentrated on Dennis and Duple Coachbuilders, Mr Hargreaves states. All its other businesses are performing well and have positive growth plans. The reorganisation to which Hestair is committed aims at a substantial reduction in cost levels and in the medium-term he is therefore more than ever confident of success.

Turnover for the half year increased from £38.05m to £54.59m. *The group has interests* in special vehicles, farm equipment, educational supply, toys and employment bureaux.

Tax charge was £5,000 higher at £160,000 leaving a net deficit of £267,000 (£1.16m surplus). Loss per 25p share was 1.1p (6.1p earnings) and there was also an extraordinary charge of £211,000 this time.

The chairman says the group's plans for a root and branch overhaul of its engineering activities are now complete. Over the next three years there will be major changes in the number, size and nature of its manufacturing plants

The first move has been to sell Eagle's present factory in the centre of Warwick for a supermarket development, at a price which allows the group to build a larger, modern and more efficient replacement close by.

Returning to the shorter term problems at Dennis, Mr Hargreaves says it is ironic that the first indications of better margins at home should be more than countered by the total collapse of high margin export business. As this business has now become unacceptably volatile, the group has commenced a long-term restructuring of Dennis.

This will enable it to remain profitable without speculative exports and will take account of the reduced bus business which is inevitable as the effects of the transport White Paper work through.

Mr Hargreaves said later that Dennis had made a loss of around £1m in the first half, against a £0.4m profit last time. But with Kiddicraft and the employment agency side likely to have a record year, he expected the group to end the year with an overall profit.

● comment

Hestair may have taken umbrage at the City's negative approach to its all equity bid for Duple last year but the latest figures show how right the pessimists were. The last of the provision, sitting in the balance sheet to soften Duple's reorganisation costs, has been taken through the p and l account and this loss is struck after a £300,000 credit. Hestair might have been able to ride out this failure but for the collapse of its existing Dennis commercial vehicle business where a £400,000 profit was turned into a near £1m loss. Dust carts sell fine but buses, coaches and fire appliances are most certainly not. Even putting aside Duple for the moment it seems pertinent to question the direction of this mini-conglomerate. Maybe it will float more profitable operations (toys or employment agencies or perhaps both) on the USM but the logic behind a concentration on the volatile commercial vehicle sector (albeit a specialist niche) seems as baffling as ever. After a 4p fall to 49p yesterday the shares could still be searching for a firm base.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.
Beatson Clark	28	4
Boase Massimi Pollitt	26	6
Caskets (S.)	26	5
Enterprise Oil	24	1
Freemans	25	3
Hestair	24	7
Link House	24	6
MCD Group	26	5
Metalrax	30	6
Mills & Allen	28	1
Mining	28	7
Moss Bros.	30	5
Pantherella	30	5
Parker Knoll	26	6
Planet Group	30	6
Spencer (George)	24	4
Superdrug Stores	30	5
Travis & Arnold	24	4

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Astbury & Madeley ...	1.5	Nov 30	1.38	—	5.5
Beatson Clark.........int	3.3	Nov 26	3.3	—	9
Boase Massimi ......int	2.5	Nov 17		—	5.5
S. Casket	1.4	—	1.38	2.1	1.88
Enterprise Oil ....int	3	Nov 12	—	9	—
Freemans ....int	2	Dec 6	1.9	—	4.5
Hestair ....int	1.5	Jan 2	1.5	—	3.58
Link House	10.7	—	9.4	15.7	13.9
MCD Group ....int	1	Nov 30	nil	—	1.5
Metalrax ....int	0.67	Oct 26	0.61*	—	2.06
Moss Bros ....int	1.54	Nov 12	1.28*	—	3.99*
Pantherella ....int	1.3‡	Jan 3	—	—	—
Parker Knoll	6	Nov 3	6	9	8.8
Planet Group ....int	1	Dec 1	1	—	2.78
George Spencer ...int	nil	—	0.1	—	0.1
Superdrug Stores ...int	1.7	Nov 19	1.4	—	3.8
Travis & Arnold ...int	1.95	Nov 12	1.88	—	6.53
United Friendly ...int	4.6	Nov 28	4	—	—

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Over the counter stock. ¶ Total of 7p forecast.

UK COMPANY NEWS

Superdrug sales continue to expand

WITH SALES up 28.5 per cent at £58.76m, pre-tax profits of retail drugstore operator, Superdrug Stores, increased by some 27 per cent from £2.88m to £3.66m in the half year to August 25 1984, and the company anticipates another record year. First-quarter taxable figures were ahead from £1.02m to £1.38m.

Sales since the end of August have continued to show increases on a similar scale to the earlier part of the year, and in view of the results for the first 26 weeks and the company's new store programme, the directors confidently anticipate another satisfactory outcome for the remainder of the year.

The net interim dividend has been lifted from 1.4p to 1.7p from stated earnings per 10p share of 7.85p (4.83p). Last year's total payment was 3.5p on £6.84m pre-tax profits.

Trading profits for the first 26 weeks rose by 32 per cent from £2.63m to £3.47m, before net interest receivable of £185,000 (£249,000). After tax reduced from £1.19m to £916,000, the net balance came out at £2.75m (£1.69m), of which the interim dividend absorbs £595,000 (£294,000).

The company's main development programme continues to be the expansion of its retail chain and the first half saw 15 new branches open successfully and the enlargement and modernisation of five smaller stores completed. Superdrug anticipates that by the year end at least a further 22 branches will have opened, bringing the total number of stores trading to 211.

The directors report that the past six months has seen a number of exciting projects started, the most important one being the construction of a new 200,000 sq ft distribution centre at Wakefield. Contractors were appointed early in May and the development is due for completion by autumn 1985.

The development is within a Government Enterprise Zone and as a result the total capital investment in the buildings will be eligible for tax relief in full in the year of expenditure. The company will also be allowed a rate-free period up to 1994 which will greatly assist in the running costs of the new facility.

The new office extension at Beddington Lane, Croydon, will be completed by the latter part of this year, while the transport facility became operational early in August enabling the company to utilise its transport fleet more efficiently.

● **comment**

There wil always be arguments about what price you can put on Superdrug's super growth. Fuelled by aparently groundless bid rumours the price has moved ahead in the last month from 280p to a new high of 330p yesterday. At this level, the shares change hands on a prospective multiple of about 18, assuming profits of £8.5m pre-tax for the year and a 35 per cent tax charge. There is nothing in the trading performance to cast doubt on this fancy rating—not only are new stores opening at a relentless pace but existing ones are notching up further sales gains. There are still vast areas of the country in the North and West and in Scotland untouched by Superdrug. With every step forward, the company is taking market share from the independent High Street chemists, and to a lesser extent, from groups like Boots, who have as yet shown little sign of checking Superdrug's advance. The group is also squeezing more from its sales by increasin gthe proportion of own-brand goods, carrying higher margins. The high rating then seems fully justified.

Pantherella order book well ahead

PRE-TAX profits of USM quoted Pantherella, a men's sock manufacturer, improved from £219,000 to £232,000 in the first half of 1984, on turnover ahead at £1.6m, against £1.47m.

The directors expected improved results in the current year and there are encouraging indications for continued growth netx year.

A greater proportion of deliveries takes place in the second half. Thus profits for the second six months are always greater than for the first and the directors say 1984 will be no exception. For the whole of 1983, the company made £608,000 pre-tax.

The factory is working at full pressure so as to meet the demands of an order book for both home and export deliveries, which is well ahead of last year.

As forecast at the tiem of the company's USM placing, the interim dividend is 1.3p net per 25p share—a final of 2p has also been projected.

Tax charge for the half year was slightly lower at £97,000 (£100,000) and after an extraordinary credit of £5,000 this time, the net surplus was £21,000 higher at £140,000. Stated earnings per 25p share rose by 0.4p to 3.4p.

The extraordinary item comprised a £67,000 write back from deferred tax—as a result of Corporation tax changes introduced in the 1984 Finance Act—less USM placing costs of £62,000.

● **comment**

By USM standards, the upmarket sock might seem a limited, even humdrum product. But any company which saw pretax margins of 13 per cent in the 1981 trough of the textile cycle has certain advantages, not least the ability to carry on spending on new machinery, product design and high-level salesmanship. Pantherella's debut figures show modest enough growth, but besides the seasonal weighting to the second half, the company's practice of invoicing in sterling means that dollar strength will take time to show through in profits. There are tentative plans for expansion through acquisition, but there seems to be growth available to the purveying of hose to the gentry in the meantime. With full year profits heading for maybe £700,000, the shares—unchanged at 104p—are on a prospective multiple of just over 10. This may seem cheap by USM standards: more fundamentally, it is reassuringly in line with the nearest main market equivalent, Dawson International.

Planet falls to £508,000 as Luxembourg losses take toll

HEAVY LOSSES at its Luxembourg subsidiary meant a sharp decline in pre-tax profits of Planet Group from £1.25m to £508,000 for the first half of 1984. The interim dividend however, is maintained at 1p net per 10p share.

The directors say the result for the second half and the dividend level for the year as a whole will depend on the continued good performance of the U.S. and UK activities, but most particularly on the outcome of actions to eliminate losses in Luxembourg.

Half-year turnover of the group, which makes windows and doors for railway coaches, motor vehicles, caravans, and the building industry, improved from £20.54m to £21.96m.

Referring to the losses made by Planet SA in Luxembourg, the directors say the hoped for improvement in the European caravan industry did not take place and the number of carovans produced has again fallen heavily this year causing further company failures.

A major retrenchment and reorganisation programme was conducted in the spring when it became clear that sales forecasts for this year had to be revised downwards. The costs of this programme amounted to £291,000 and are shown separately as an exceptional item.

The market continues to contract and the company recently negotiated a further major labour and cost reduction programme with the Luxembourg authorities.

Group operating profits dropped from £1.48m to £1.01m. Of these, £200,000 (£17,000) were made in the UK and £1.11m (£1.31m) in the U.S., while Europe — excluding UK — incurred £298,000 losses (£147,000 profits).

Tax took £605,000 (£789,000) and losses per share were 1p (5.1p earnings). Extraordinary charges decreased from £100,000 to £76,000.

● **comment**

Planet seems to be backfiring on all cylinders. A 40 per cent sales increase in the U.S. was turned into a 18 per cent profit decline by swingeing aluminium price rises. Meanwhile, the growth of package holidays appears to have sent the European caravan market into long-term decline, leaving the Luxembourg factory expensively burdened with surplus capacity. The UK operations sidestepped that problem two years ago by diversifying into the building industry, but even so their profits advance was entirely due to loss reduction and elimination at Percy Lane and Hardall. With 67 per cent of its turnover derived from the ailing caravan industry, everything depends on Planet's plans to aim for more resilient markets—and more immediately on Price Waterhouse's ability to moderate the group's 119 per cent tax charge. The shares slipped 7p to 52p.

Metalrax soars to peak £1.3m

THE momentum seen throughout Metalrax Group during the second half of 1983 continued strongly into 1984 and pre-tax profits soared by 80 per cent from £723,000 to a record £1.3m in the six months to June 30.

The interim dividend is effectively raised from 0.61p to 0.67p net—last year's adjusted total was 2.06p from pre-tax profits of £2.04m. Earnings per 5p share rose from 1.19p to 2.42p.

Turnover of this Birmingham-based engineering group improved by 21 per cent from £11.56m to £14.05m. Tax was considerably higher at £603,000.

Mr John Wardle, the chairman, says that traditionally the second half is better than the first, and it would only be due to international or national crises totally beyond the group's control if it did not see a continuance of this pattern in 1984.

He adds: "It would be unrealistic—either for the second half or for the full year—to expect a similar percentage increase to that now announced, particularly as holidays . . . now effect production, not only in July and August, but also in September. Nevertheless, the year as a whole should be satisfactory—and record years are generally regarded as satisfactory."

Mr Wardle says the group's bank balance "continues in its customary good health."

Davenport Knitwear falls to £288,000

Lower investment income of £112,000, against a previous £147,000, has left first-half pretax profits of Davenport Knitwear at £288,000, compared with £307,000.

Group trading profits for the period to June 30 1984, improved from £218,000 to £237,000, but the directors say in their interim report that figures for the full year cannot be predicted with any accuracy. The group manufactures knitted fabrics and garments.

Tax accounted for £137,000 (£160,000). The purchase of properties referred to in the 1983 accounts will give rise to a claim for industrial buildings allowances. This was not taken into account in estimating the half-year tax charge.

Moss Bros. ahead

Despite starting quietly, Moss Bros improved its pre-tax profits from £225,000 to £271,000 in the six months to July 28, 1984. The directors say the improvement was largely attributable to the rationalisation which has taken place following the acquisition of Fairdale Textiles.

The directors say it is too early to forecast the outcome for the full year. In the meantime, the interim dividend is effectively raised from 1.282p to 1.54p net—last year a total of 3.991p adjusted was paid from pre-tax profits of £649,000 (£502,000).

Turnover of this retailer and hirer of clothing and ancillary goods was up from £7.23m to £8.64m, excluding VAT. Tax for the year was £130,000 against £117,000, and earnings per 20p share were up from an adjusted 3.57p to 4.66p.

UK COMPANY NEWS

Mills and Allen to seek quote for media interests

BY JOHN MOORE, CITY CORRESPONDENT

Mills and Allen International, the money broking and financial services group with extensive advertising contracting and media services interests, is seeking an independent listing of the shares of its media operations.

The group hopes to gain a full listing on the London Stock Exchange—possibly by the beginning of next year.

On the Stock Exchange yesterday Mills and Allen's share price fell 5p to 310p.

The group said that preparations were underway for the listing of the media operations through the sale to the public of a controlling interest in a new holding company to be called United Communications.

N.M. Rothschild, the merchant bank, has been appointed as advisers to United Communications to handle the issue. Mr Ronald G. Hooker, whose directorships include the chairmanship of Dubilier, the electrical and electric components group, will be chairman of United Communications. Mr Charles J. Daniels will be chief executive.

Mills and Allen operates as an advertising contractor in the UK, Eire, Belgium and the Far East and Australia. The United Communications company will comprise leading outdoor and cinema advertising contractors. The new group will also include the specialist poster agency and printing interests of Mills and Allen.

The combined revenues of the companies that will make up the new company will total £40m and it will employ 700 people.

Mills and Allen said that as an independent entity the new company would be able to concentrate its management and financial resources on developing existing businesses "and will be in a better position to take advantage of growth opportunities."

Explaining the move further, Mills and Allen said that the deal, which will be subject to shareholders approval, was a central element in group strategy "to concentrate on the continuing development of its financial and information services activities."

It added that the flotation would provide the group with additional resources to take advantage of opportunities "created by the revolution of financial markets around the world."

The contribution to group profits from media activities is between £5m and £6m. In its last reported financial year for the year ended June 30 1983 Mills and Allen's pre-tax profits were £19m, compared with £12.6m.

Mills and Allen said yesterday that its recent link with Ueda Tanshal, a leading Japanese discount house and money broker, was a pointer to the sort of direction the group would like to take in the future.

Mills and Allen managing director Mr Clive Hollick said in July that the group believed "that Tokyo will develop into a fully fledged international market and take its place alongside London and New York." The group said yesterday that it believed that there would be considerable value achieved throughout the group once greater coherence was established throughout its activities.

However, it was not clear yesterday whether Mills and Allen would seek to retain a substantial minority stake in its media interests once they were floated off. "We cannot say at this stage." And the timing of any flotation of the shares in the media operations would depend on the stock market.

Beatson dives as output falls

LOWER OUTPUT of glass containers together with additional fuel charges of £100,000 arising from the coal industry dispute sliced £923,000 from Beatson Clark's interim profits.

The directors say they expect conditions in the group's main markets to remain depressed for "some time" and add that glass container sales will continue to decline during the second six months, though at a slower rate.

It is pointed out that this will make it necessary to reduce output, and therefore costs, so as to operate profitably at a lower level of activity.

The interim report warns that the exceptional costs incurred will, to an extent, offset the slowly improving profitability of the group's main glass container business.

However, to reflect their confidence in the group's long-term future and despite uncertainty about current trading circumstances in the glass business, the directors are maintaining the interim dividend at 3.3p net per 25p share.

They hope to be able to recommend a maintained final (5.7p) at year-end although this will be subject to market conditions and expectations at that time. First-half earnings fell by 5p to 12.6p per share.

Group turnover was little changed at £15.61m (£15.55m) but profits before tax plunged from £1.22m to £298,000 with weakness of demand for glass containers continuing from the latter part of 1983.

The directors say, however, that with an increased contribution from other activities (packaging) the results were better than those for the second half of 1983 when taxable profits of just £1,000 were reported.

At the Rotherham glassworks the group has recently completed the repair of one of the two furnaces as part of the redevelopment of the production lines with which it is associated.

The directors say that provision has been made for firing this furnace with interruptible natural gas as well as heavy fuel oil so that the group can take advantage of the lower fuel costs available. This redevelopment will be completed by the end of the year at a cost of £3m.

It will provide greatly improved inspection and packaging facilities and make a "major" contribution to reducing costs and to improving the quality of group products.

Glass container sales dropped from £15.1m to £14.25m over the first six months—they totalled £14.33m in the second half of 1983. However, increased trading at Glass-Pak and the additional turnover from recent acquisitions held total sales for the period at similar levels to those of the two halves of 1983.

Full listing for Stone Intl.

Stone International, an electrical engineering company that used to be part of the Stone-Platt group that went into receivership in 1982, is coming to the market this week for a full listing valued at around £38m.

The company, which dominates the railway car air conditioning equipment market worldwide, was bought by a group of its former managers with institutional backing from the receiver in May, 1982, for about £15m. In the year to May 1984, it made pre tax profits of £3.7m on turnover of £73m.

A little more than a third of the equity will be sold to the public, raising about £13m. Some £6m will be new money for the company and will be used to repay some high cost loans.

The other shares will be provided by existing institutional investors, which include Electra Investment Trust, Globe Investment Trust, Investors in Industry, the National Coal Board pension fund and Candover Investments.

The shares are likely to be priced at between 120p and 130p per share. The issue is being arranged by the merchant bank, Charterhouse Japhet and stockbrokers Panmure Gordon.

Astbury ahead at six months

On turnover up from £6.21m to £7.45m, pre-tax profits at Astbury & Madeley (Holdings) increased from £630,000 to £703,000 in the six months to June 30 1984. The interim dividend is raised from 1.375p to 1.5p net—last year's total was 5.5p from pre-tax profits of £1.35m.

If group profits are maintained in the first six months to December 31, the directors anticipate proposing an increased final dividend for the year.

Profit attributable to members of the holding company was up from £302,000 to £378,000.

COMPANY NEWS IN BRIEF

Higher pre-tax profits of £57,000 against £47,000 have been produced by Gilbert House Investments for the year to March 24 1984. Gross rents receivable grew from £320,000 to £356,000. In the prospectus issued for this property investors arrival on the USM last June, gross rental income was expected to reach about £380,000.

The directors say that an anticipated surplus on the sale of the South of England portfolio with net rental income from the Covent Garden acquisition, added to growing investment income, means they will be able to give favourable consideration to the payment of a dividend for the current year.

Pre-tax profits were struck after property expenses of £12,000 (£5,000), administration expenses of £78,000 (£44,000) and interest of £210,000 (£205,000). Tax took £7,000 and extraordinary costs of £69,000 this time related to the USM application.

* * *

Lower operating costs coupled with a significant contribution from international trade at Alexander Duckham & Co improved profits for the first half of 1984. Profits before tax rose from £575,000 to £940,000, while turnover was down from £15.4m to £13.44m.

Directors of this maker of lubricating oil, which is a subsidiary of British Petroleum, remain cautious about the final profit outcome for 1984—in the last full year profits came to £959,000 (£25,000). They say that the highly competitive nature of the UK lubricants market may make it difficult to recover raw material costs increases arising from the weakening of sterling in dollar terms.

* * *

Carlton Industries, a subsidiary of Hawker Siddeley, raised pre-tax profits from £4.64m to £5.88m in the six months to June 30, 1984, on higher sales of £65.47m, against £57.03m. Trading conditions remain difficult for this maker of batteries and whisky, but greater operating efficiencies have contributed to better results in both the UK and overseas.

Pre-interest profits rose from £6.57m to £7.68m. Tax charge was £1.84m (£1.14m) and stated earnings per share 13p (11.1p).

An offer of 77p per ordinary share for Carlton's holding in Comben Group was received from Trafalgar House and accepted on June 28, 1984. This has resulted in an extraordinary surplus of £2.48m after tax. The sale proceeds have been used to reduce the company's borrowings.

* * *

Further progress was anticipated in the current year at Hillards, supermarket operator, and the board looked to the future with confidence, Mr Peter Hartley, the chairman, told the annual meeting. The new large store in Rotherham had met an enthusiastic response, he reported.

The year 1985 would be one of major expansion for Hillards. Building work had started in Scarborough and Scunthorpe and work was being carried out at Lincoln to replace the existing store. Two other sites had been acquired where building work would start shortly. These five stores would add 25 per cent to the group's sales area.

MINING NEWS

ZCI reduces loss for year

BY GEORGE MILLING-STANLEY

A NET LOSS of US$1.09m (£880,000) is reported by Zambia Copper Investments for the year to June 30, compared with losses of US$5m in the previous 12 months. No dividend is declared.

ZCI, part of South Africa's Anglo American/De Beers group of companies through the 50 per cent stake held in the copper concern by the group's Minerals and Resources Corporation, has again received no dividends from the state-controlled Zambia Consolidated Copper Mines (ZCCM), in which it holds an interest of 27.3 per cent.

ZCCM's copper and cobalt operations have taken a turn for the better recently, and are profitable at the operating level, but high tax charges left the group with only a nominal profit in the year to March 31, and no dividends were paid.

In addition, ZCI's obligations towards the financially-troubled Botswana RST (Botrest) base metal operations are still proving to be a substantial drain on resources.

Five years ago, ZCI granted De Beers a fixed charge over all its assets as security for contingent liabilities undertaken by De Beers in respect of Botrest. The sum of $1.03m in contingent liabilities has crystallised over the past year, and has therefore been paid to De Beers.

This appears in the latest accounts as an extraordinary deficit, and represents the bulk of ZCI's loss. Contingent liabilities still outstanding in respect of the Botswana operations at the year-end amounted to $13.27m, excluding the provision for the payment of interest on this amount.

There was also a loss from foreign exchange of $1.83m, arising largely from the substantial depreciation in the value of both the Zambian kwacha and Zimbabwe dollar during the year.

ZCI has advanced £2.91m of dividend income received in Zambia in previous years, and which had remained blocked there, to the goverment as a sterling-denominated loan.

Centennial to develop Montana gold deposit

A FEASIBILITY STUDY prepared by Kilborn Engineering of British Columbia has confirmed estimates of the size and grade of the Montana Tunnels gold joint venture near Helena, Montana, and the partners have decided to bring the mine into production by the autumn of 1986.

Centennial Minerals of Vancouver will be the operator, with a 50 per cent interest, and the remaining half-share is held by U.S. Minerals Exploration Company of Denver.

Montana Tunnels has a low gold grade of around 0.048 ounces (1.49 grammes) of gold per ton, similar to the nearby Golden Sunlight property which is being operated successfully by Placer Development, and the secret of the deposit's potential lies in the very large reserve tonnage of over 50m tons.

This will be extracted at a rate of 15,000 tons a day from an open pit, and should produce 167,000 oz of gold a year, along with 1.1m oz of silver. There will be in addition 12.2m lbs of lead and 61m lbs of zinc produced in concentrates.

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN SUMITOMO ELECTRIC INDUSTRIES, LTD.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date September 30, 1984, the shareholders' register will be closed for the period October 1 - 30, 1984 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 8 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN FUJITEC CO., LTD.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date September 30, 1984, the shareholders' register will be closed for the period October 1 - 31, 1984 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 8 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MINEBEA CO., LTD.

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date September 30, 1984.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 4 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON SHINPAN CO., LTD.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date September 30, 1984, the shareholders' register will be closed for the period October 1 - 31, 1984 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 15 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN TSUMURA JUNTENDO, INC.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date September 30, 1984, the shareholders' register will be closed for the period October 1 - 31, 1984 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 4 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN SHARP CORPORATION

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date September 30, 1984.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 7 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MURATA MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date September 20, 1984, the shareholders' register will be closed for the period September 21 - October 20, 1984 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 17, 1984.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 11 will be used for collection of this dividend.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN AJINOMOTO CO. INC.

NOTICE IS HEREBY GIVEN that subject to shareholders' approval a cash dividend will be paid to shareholders of record date September 30, 1984.

NOTICE IS ALSO GIVEN that a free distribution of shares be made to shareholders of record date September 30, 1984 in the ratio of 0.1 share for each 1 common share of Y50 each (1 new for each 10 old).

Furthermore, it has been declared that the shares will be traded ex-dividend and ex-rights on the Japanese Stock Exchanges with effect from September 26, 1984.

Coupon No. 8 attached to the EDRs will be used for the collection of the dividend and Coupon No. 9 will be used for the collection of the free shares. A further notice will be published as soon as practicable with further details of the amount of the dividend and date of distribution of the free shares.

Citibank, N.A., London, Depositary.
September 25, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN YAMAICHI SECURITIES CO., LTD.

NOTICE IS HEREBY GIVEN that subject to shareholders' approval a cash dividend will be paid to shareholders of record date September 30, 1984, and, pending payment, the shareholders' register will be closed for the period October 1 - 31, 1984 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

NOTICE IS ALSO GIVEN that a free distribution of shares be made to shareholders of record date September 30, 1984 in the ratio of 0.05 share for each 1 common share of Y50 each (1 new for each 20 old).

Furthermore, it has been declared that the shares will be traded ex-dividend and ex-rights on the Japanese Stock Exchanges with effect from September 26, 1984.

Coupon No. 7 attached to the EDRs will be used for the collection of the dividend and Coupon No. 8 will be used for the collection of the free shares. A further notice will be published as soon as practicable with further details of the amount of the dividend and date of distribution of the free shares.

Citibank, N.A., London, Depositary.
September 25, 1984

CITIBANK

CITY OF COPENHAGEN US$15,000,000 6% 20 YEAR EXTERNAL LOAN OF 1965

HAMBROS BANK LIMITED hereby gives notice that in accordance with the terms and conditions of the above loan, the redemption for the 16th November 1984 has been effected by the drawing of the under-mentioned bonds amounting to US$1,000,000 (nominal) on the 10th September 1984. The outstanding balance after the 16th November 1984 redemption is US$[illegible] (nominal).

The drawn bonds may be presented to Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA or to the other Paying Agents named on the bonds.

Bonds surrendered should have attached all unmatured coupons appertaining thereto. Coupons due 16th November 1984 should be detached and collected in the usual manner.

For payment in London, bonds will be received on any business day and must be left three clear days for examination.

Bonds of US$1,000.00

[illegible]

The following bonds from previous drawings are still outstanding for payment:

BONDS DRAWN 16th NOVEMBER 1981

[illegible]

BONDS DRAWN 16th NOVEMBER 1982

[illegible]

BONDS DRAWN 16th NOVEMBER 1983

[illegible]

HAMBROS BANK LIMITED
21st September, 1984

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Finance for growth

Bypassing banking bias

BY IAN HAMILTON-FAZEY

IT WAS by accident that Mike Deegan and Ron Hill discovered one means of easing a small business's growing pains—change your bank for each appreciable upward leap in size.

Deegan, a 28-year-old with a commerce degree from Birmingham University, is managing director of the company that his chairman, Dr Hill (he has a PhD in textile chemistry), started in 1972.

The company, Ron Hill Sports, specialises in running gear and has shown spectacular growth since the British running boom was fuelled by the launch of the London marathon in 1981. Turnover this year is heading for £1.8m.

Yet the company has been operating with a National Westminster Bank overdraft limit of only £90,000 — just over two and a half weeks' turnover. Deegan says: "I have suddenly woken up. I used to think that bank managers were benevolent people who knew much more than most of them actually do. Their image fooled me.

"If we were running at an £89,000 overdraft, everything was fine. If we went to £91,000 we'd get phone calls asking us what we were doing about this problem we'd got. When Ron was doing the television commentary on one of the big international marathons, the bank even questioned whether he should be at his desk in the office instead of 'trying to become a personality'."

The company had its bank account at the NatWest branch in the Manchester suburbs that had handled Hill's personal finances since he was an employee of Courtaulds. When Hill had started designing and race-testing shorts and vests for long-distance runners, and selling them by mail order from home, he had done what most people do when starting a business—opened a business account where he was already known.

This usually means the bank concerned has the account for life, since 75 per cent of customers never change their banks — which is contrary to what U.S. venture capital funds in particular always advise their clients.

Peter Shepherdson, new opportunities chief of Pilkington Brothers and a man close to job and small business creation schemes in St Helens, says: "The reason for such advice is that banks will always tend to see you as you were, not as you are or are likely to become.

"The company that starts with £20,000 of turnover will usually continue to be seen as a £20,000 company, no matter how it grows. If it gets to, say, £300,000, or even just looks like getting there, it is good advice to change banks and be perceived as that big by the new bank manager."

Ron Hill's crunch with NatWest came when Deegan, tightening up operations in the company's burgeoning wholesaling business, worked out that if he could borrow another £100,000 at reasonable rates, he could take such advantage of discounts from suppliers for early payment, that the company would make significant extra profits.

He asked NatWest about it and met with wariness and an unhelpful attitude. It then became clear that the money would only be forthcoming if certain preferential calls on the business were negotiated to provide security.

Deegan might have advised Hill to accept the terms had he not accidentally tapped into his equivalent of the Old Boy network. Deegan is a top-class athlete in his own right and casually mentioned what he was trying to do to another runner, who happened to work for Standard Chartered.

It was only then that he realised that competitive forces might be as important in banking as in sportsgear or the 5,000 metres. He did not even know how much over base NatWest was charging for the company's overdraft anyway: he and Hill thought that "the usual terms" were par for all small businesses.

When he asked and was told 4 per cent—a figure that had been unchanged since Hill opened the account—any sentiment that might have kept the business with NatWest evaporated with Hill's instantaneous anger. Deegan demanded an immediate reduction to 3 per cent. The bank came back with 3.5 per cent.

Deegan sent copies of the company's accounts for the last two years to other banks and asked them to bid for the business. Standard Chartered has now come up with the most favourable terms—an overdraft facility based on 40 per cent of stock or 60 per cent of debtors and amounting to £250,000. The charge is to be 2 per cent over base.

NatWest was given the chance to respond. Its final offer was a £131,000 overdraft, a £54,000 loan account and other adjustments to make the total facility £200,000—at 2.5 per cent over base.

The account changes at the company's autumn year-end—to Standard Chartered, of course—and Ron Hill Sports will start the next cycle of its development.

This will see it formally divisionalise the business into two companies, Ron Hill Sports for wholesaling and Running Wild for retailing and mail order sales.

Most expansion is now expected from wholesaling running gear in Britain and, increasingly, throughout Europe. In 1984 this arm of the business has accounted for nearly £1.2m — two-thirds — of turnover, up from £850,000 last year and £500,000 in 1982. This reflects the way the retail market has adjusted to the running boom, with wholesaling expanding as shops in the High Street caught up with the trends and started stocking the gear and while mail order declined.

The company's retailing arm took it to six sports shops in Greater Manchester — three specialist running emporia and three general sports stores, one of which was closed this year following losses.

The company employs 32 people, half in wholesaling and half in the shops and mail order. All are runners and eight of them can break 48 minutes for 10 miles, which must make them one of the fittest workforces in the land.

Ron Hill: realised that "competitive forces were as important in banking as in the 5,000 metres"

Surge in growth of co-operatives

THE CO-OPERATIVE movement is alive and well and expanding rapidly. That is the message of a directory just published by the Government-backed Co-operative Development Agency.

The directory shows that at June 1984, the UK had a total of 911 co-ops, with over 20,000 members and just under 9,000 full- and part-time employees. Two years previously the number was just over half at 498, while the June 1980, total was 305.

However, the real growth between 1982 and 1984 was probably even greater than the figures suggest because—while some adjustments in previous years have been made—the basis of inclusion in the directory has changed. In 1980 and 1982 those co-operatives engaged substantially in more than one trade were included within each appropriate sector while in 1984 each co-op is listed only once.

The service sector, covering such activities as building, printing, hire transport and record, film and music making, embraced the greatest number of co-ops—445 in all, with 7,670 members. But the single biggest category was restaurants and food (included in the retail sector) where there were 1,833 members in 93 co-ops.

The smallest number of co-ops was to be found in fishing and agriculture—just seven: three in Wales and four in Scotland. Transport also lies at the bottom of the league table, with eight co-ops broken down between London (two), Wales (two), West Midlands (two) and Yorkshire and Humberside and the North having one in each area.

Manufacturing (activities like crafts, arts, carpentry, engineering and electronics, chemicals and general manufacturing and footwear, clothing and textiles) showed sharp growth between 1980 and 1982, with numbers up from 64 to 113. But a modest 13.3 per cent growth to 128 occurred in the following two years.

The biggest geographical concentration of co-ops was in London—270, or 29 per cent of the total—with services topping the list at 168 co-ops, way ahead of retail (39) and building and construction (29). The Yorkshire and Humberside region had 98 co-ops, again with services predominating (46). The North-West had 82 and the North 72. Regions with the smallest number of co-ops were East Anglia (19) and Northern Ireland (20).

The directory acknowledges that one of the difficulties in preparing any directory of co-ops is that there is no legal definition for such an organisation. However, its own definition is that it is a business which broadly adheres to the following principles:

1—Membership is open and voluntary—without artificial restrictions and discrimination.

2—Control is democratic—each member has one vote irrespective of capital or labour input.

3—Labour hires capital; capital does not hire labour. Only a limited rate of interest is paid on share capital.

4—Any economic surplus belongs to the members. After providing for reserves for the development of the business the balance should be distributed to members in an equitable way.

5—The co-operative is socially aware and responsible. It will endeavour to educate its members, and the general public, in co-oprative principles.

6—All co-operatives, in the best interest of their members and their communities, co-operate in practical ways with other co-operatives.

In an accompanying article with the directory, Roger Sawtell, who has 15 years' experience as a founder member and manager in two co-operatives, discusses the rapid development of co-ops, their need for better access to loan capital and the problems of structure.

Sawtell believes there are too many co-ops being established using company law rather than co-operative law—that is the Industrial and Provident Societies Acts, administered by the Registrar of Friendly Societies. Such a trend has been created largely by the requirement under co-operative law for every co-op to have a minimum of seven members, he says.

"To avoid the risk of being seduced and losing the co-operative spirit, which has already occurred in some sections of the co-operative movement, prospective worker co-operators should be made aware of this important difference."

The New Co-operatives, Co-operative Development Agency, Broadmead House, 21, Ponton Street, London, SW1Y 4DR. Price £4.95.

NatWest

THE AMOUNT lent by National Westminster Bank in 1983 under its Business Development Loan facility totalled around £½bn and not £½m as stated on September 11 on this page.

When sex discrimination suddenly means you

The HOW TO of...

HIRING EMPLOYEES

ONE OF the many minefields that any expanding small business has to negotiate is the hiring of employees. Hiring has deep perils.

Take sex, for example; you can run a bastion of all-male chauvinism only while you remain a business tiddler. Similarly, you can only insist on women part-timers to turn out miniature thingamajigs or serve in your thriving boutique provided there are no more than four of them.

But the moment you employ more than five people—and that includes part-timers—the Sex Discrimination Act 1:75 suddenly means you.

Going from four to six employees means that you have to take care not to treat one sex less favorably than another, not to discriminate between married and unmarried employees of the same sex and not to apply conditions to a job that cannot be met by anyone, irrespective of sex or marital status.

You may open up other legal obligations too. Your four women part-timers have no comeback if any or all of them become pregnant and you refuse to allow maternity leave or have them back afterwards. Take on just one more person of either sex, however, and the women will have the rights, not you.

So the first question to ask about hiring more people is: "will the benefits to the business outweigh the cost of any new legal obligations I may have to fulfil as an employer or the inconvenience of any extra managerial hassle?" It may well pay to borrow more money and deepen your technological base to increase output with the same workforce (you should consider that anyway) or persuade part-timers to work full-time instead.

There is no general rule about how size may exempt you from some employment law. The law is there to protect employees from draconian employers, however much you may feel that you need protection from a grasping workforce.

There is another critical "size threshold," however, which is crossed when your payroll reaches 21. For example, at 20 or fewer employees, only those who have worked for you for 104 weeks have legal protection against unfair dismissal. Cross the threshold and your firing ability will only remain unlimited for employees with less than a year's service.

Let's suppose now that you have decided to go ahead. What you now want to ensure is that you get the people you want. Who must you take on and who can you refuse?

If you have more than 20 employees you cannot refuse a suitably qualified disabled applicant if less than 3 per cent of your workforce is made up of disabled people already. Indeed, if you are over the "20" threshold and are not up to quota on disabled employees, you will have to get a six-monthly certificate allowing you to recruit able-bodied people instead.

Unlike the law on sex discrimination, that against racial bias allows no exceptions based on size of company. What is important here is that you now have to have procedures which generate records through which you can prove that you are giving *racial minorities a chance.*

This does not just mean that you must know the ethnic origin of your workforce *but of job applicants as well.* That means keeping records of who you reject and why, even if it costs you money to do so. This could be very important if you operate in or near, say, the centre of a large city with pockets of long-term unemployment among black people and someone challenges your recruitment record.

If you finally do decide to recruit more staff, documents will be needed. In most cases, only apprentices will have to have a written contract but you must issue statements of the main terms of employment to all new employees within 13 weeks. These must cover date of employment, pay rates, frequency of pay days, hours of work, holiday, sickness and pension *entitlements, notice* periods, job title, disciplinary rules and grievance procedures.

This article was compiled with the help of "The Small Business Scheme manual," copyright: Collinson Grant Consultants Ltd., 1983.

I.H.F.

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Businesses for Sale

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Sutton-in-Ashfield

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Operating assets include plant and machinery and stock with a total book value of approximately £2 million.

* turnover £4 million
* 170 employees
* freehold premises

Textile Machinery Manufacturer
Hawick, Scotland

This business is offered for sale as a going concern.

* turnover £700,000
* 30 employees
* freehold premises

Metal Finishers
Loughborough

This business is offered for sale as a going concern.

* turnover £100,000
* 6 employees
* leasehold premises

For further information please contact the Joint Receivers:
Alaistair Jones
Peat, Marwick, Mitchell & Co
45 Church Street
Birmingham B3 2DL
Telephone: 021 233 1666
Telex: 337774

PEAT MARWICK

FOR SALE

Leisure Product Company

The company is engaged in the manufacture and distribution of leisure clothing and equipment.

Turnover is around £2m with excellent margins and a good growth record.

Enquiries from principals only to
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* 13 completed cottages with unsold timeshare leases with sale value in excess of £300,000 lying mostly in the summer months.
* Amenity areas including indoor swimming pool, sports hall and club facilities.
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as a going concern

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Brownlow House, 50/51 High Holborn
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Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH
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Principals only

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FOR SALE

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Surrey KT22 7SU

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Principals only write to:
Box G10095, Financial Times
10 Cannon Street, EC4P 4BY

FOR SALE

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10 Cannon Street, EC4P 4BY

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A one-day seminar
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Many previously successful businesses are now in a financial crisis. The outlook for the UK economy is not encouraging. The objective of this seminar is to explore what management actions are necessary in a crisis situation for survival and long term recovery.

Main topics will include: Causes and symptoms of corporate decline; Managerial behaviour in crisis situations; Triggering change; Generic recovery strategies; Formulating recovery strategies; Implementing recovery strategies.

The seminar will be led by Dr. Stuart Slattar, who has significant experience as a turnaround manager, management teacher and researcher.

To book a place, please contact:
Miss Sue Coan, London Business School, Sussex Place, Regent's Park, London NW1 4SA
Telephone: 01-262 5040

Businesses Wanted

BUILDING/DEVELOPMENT COMPANY WANTED

Redrow are a rapidly expanding Group of Companies operating mainly in the private house building sector.

We urgently seek to acquire similar Companies preferably operating in Southern England, although other areas will be considered. We are particularly interested in Companies with land banks and currently building between 100 and 500 units per annum. Substantial funds are available.

All replies will be treated in the strictest confidence.
Please reply to:—

REDROW

Managing Director,
Redrow Group,
Redrow House,
Alltami,
Mold, Clwyd CH7 6HD

HOUSE BUILDING COMPANY WANTED

A leading residential development group with extensive cash resources is seeking a house building company currently producing in excess of 50 units per annum in the Essex or East London area. The group is looking to acquire a well established local operation ideally with a strong management team as a nucleus for expansion in the area. A reputation for quality is important and experience in traditional types of construction is preferable. However, companies with a reasonable land bank alone will also be considered.

If interested, please write to:
David Jenkins of Touche Ross & Co
Hill House, 1 Little New Street, London EC4A 3TR

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Ample funds available to acquire a UK registered LICENSED DEPOSIT TAKER

Principals only

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Engineering Business Wanted

Privately owned Engineering Company located in the West Midlands wishes to acquire a similar business also located in the West Midlands. A company with existing tax losses would be acceptable, turnover should be at least £1m pa

All enquiries will be carefully considered

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has funds available to purchase companies involved in transport distribution, road haulage, plant hire. Please reply to investor

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Company Notices

COMPANIES (ACQUISITION OF SHARES) (VICTORIA) CODE
NOTICE BY
CASTLEMAINE TOOHEYS LIMITED
PURSUANT TO SECTION 28(4)

Castlemaine Tooheys Limited ("Castlemaine Tooheys") hereby states pursuant to the provisions of section 28(4) of the Companies (Acquisition of Shares) (Victoria) Code in relation to its offers dated the 7th day of August 1984 to acquire all of the issued shares of one dollar each in the capital of Nicholas Kiwi Limited that:

(a) Castlemaine Tooheys has not declared the offers to be free from the conditions contained in clauses 9 and 10 of each of such offers:

(b) the offers have not become free from the condition contained in clause 5 of each of such offers by reason of the operation of sub-section 30(1) of the Companies (Acquisition of Shares) (Victoria) Code; and

(c) to the knowledge of Castlemaine Tooheys the condition contained in clause 10(d) of each of such offers was at the time of lodging this notice for publication, fulfilled. To the knowledge of Castlemaine Tooheys the conditions contained in clause 9 of each of such offers and in clause 10 (other than clause 10(d) of each of such offers were not at the time of lodging this notice for publication, fulfilled.

The proportion that the number of shares in Nicholas Kiwi Limited included in the class of shares to which the offers related to which, to the knowledge of Castlemaine Tooheys, Castlemaine Tooheys is entitled at the time of lodging this notice for publication bears to the number of shares included in that class is 1.4 per cent.

Signed for so on behalf of
CASTLEMAINE TOOHEYS LIMITED
J. Keep, Secretary

Dated this twenty first day of September 1984

SOCIETE GENERALE
$ US 250 MILLIONS
FRN 1994

For the six months sept. 17, 1984 to march 17, 1985 the interest rate has been fixed at 12 5/16% P.A.

The interest due on march 18, 1985 will be $ US 622,47 and has been computed on the actual number of days elapsed (182) divided by 360.

THE PRINCIPAL PAYING AGENT
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

HARRISONS MALAYSIAN PLANTATIONS BERHAD
(Incorporated in Malaysia)

FINAL DIVIDEND FOR THE YEAR ENDED MARCH 31, 1984

NOTICE IS HEREBY GIVEN that at the eighth annual general meeting of the company held on August 22, 1984, a final dividend of 6 sen per share, less 40% Malaysian income tax was approved, in respect of the financial year ended March 31, 1984, payable on January 5, 1985, to shareholders on the register as at December 6, 1984.

Notice is hereby given that the last date for lodging transfers will be at the close of business on December 6, 1984, at 5.00 p.m.

By Order of the Board,
ZAINAL ABIDIN JAMAL
Secretary

5th-9th Floor Kompleks Kewangan
Jalan Raja Chulan
Kuala Lumpur
September 18, 1984

WITWATERSRAND NIGEL LIMITED
(Incorporated in the Republic of South Africa)
("Wit Nigel" or "the Company")
Offer to the shareholders of
The Afrikander Lease Limited
("Aflease")

The directors of Wit Nigel have pleasure in announcing progress to date on the Company's offer to acquire a minimum 25% shareholding in Aflease.

As of Friday, 21 September 1984, acceptances totalled 24.1% or 1,618,818 shares. The directors are exercising their right to extend the closing of the offer until Friday, 12 October 1984, or when acceptances reach the desired level of 30%, whichever is the earlier.

Any acceptances received after the extended closing of the offer will not be considered.

N.B. Any shareholders of Afloase who failed to receive the offer, lost their documents or wish to have the details of the offer contained to them should telephone either Miss La Marque or Mrs Czrbis at Wit Nigel Head Office, Johannesburg, 834-6713. Fresh documents will be provided if required.

With Anglo American abstaining, it can now reasonably be expected that Afloase shareholders tendering in full will now receive two Wit Nigel shares for each Afloase share in respect of their total holdings.

By order of the board
Johannesburg D. C. PALMER
24 September 1984 Secretary

TDK CORPORATION
(CDRs)

The undersigned announces that the Semi-Annual Report per May 31, 1984 of TDK Corporation will be available in Amsterdam at:
Pierson, Heldring & Pierson N.V.,
Algemene Bank Nederland N.V.,
Amsterdam-Rotterdam Bank N.V.,
Bank Mees & Hope N.V.,
and Kas-Associatie N.V.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
September 17, 1984.

Legal Notices

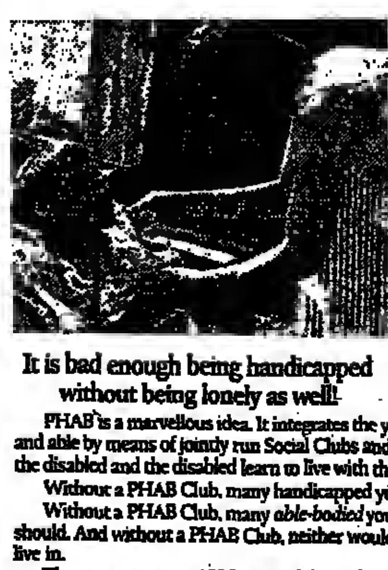
IN THE MATTER OF
FINEDART LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of October, 1984, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Granville White of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 13th day of September 1984.

PATRICK GRANVILLE WHITE,
Liquidator.

Phab PHYSICALLY HANDICAPPED AND ABLE BODIED



MAY WE TELL YOU SOMETHING ABOUT PHAB

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PHAB is a marvellous idea. It integrates the young and disabled with the young and able by means of jointly run Social Clubs and holidays. So the fit learn to live with the disabled and the disabled learn to live with the fit.

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NEW YORK STOCK EXCHANGE 30–32
AMERICAN STOCK EXCHANGE 31–32
U.S. OVER-THE-COUNTER 32, 40
WORLD STOCK MARKETS 32
LONDON STOCK EXCHANGE 33–35
UNIT TRUSTS 36–37
COMMODITIES 38 CURRENCIES 39
INTERNATIONAL CAPITAL MARKETS 40

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday September 25 1984

Unexpected surge in copper stockpiles, Page 38

WALL STREET

Retreat by dollar adds uncertainty

SOME STRENGTH was displayed by blue-chip issues in an otherwise mixed performance on Wall Street stock markets yesterday, but prices of Treasury coupon issues continued on the downward path begun last Friday, *writes Michael Morgan in New York.*

An advance in the Dow Jones industrial average was attributed to the higher prices registered by General Motors and Merck, but over the broader market declining issues outnumbered those to gain by a ratio of three to two.

The Dow, which was almost eight points ahead at 1pm, later gave up some of the advance to close 3.32 higher at 1,205.06. Volume fell back to 78m shares, compared with the 122m seen last Friday.

In the credit markets, prices of Treasury coupon issues which were sharply lower on Friday were again easier from the opening, on the back of a federal funds rate of 10 15/16 per cent.

At that level, the Federal Reserve stepped in to add temporary liquidity with the announcement of a three-day system repurchase arrangement – the 15th time in 17 successive trading sessions that the Fed has added liquidity.

Treasury note prices were up to 9/32 lower while at the long end declines of up to 27/32 were seen. The key long bond, the 12½ per cent of 2014, fell 21/32 to 101 15/32.

At the short end, yields on Treasury bills were mixed. The three-month bill, yielding 10.32, was four basis points higher, while the six-month bill, at 10.36 per cent, was two basis points lower.

Late in the day, the Treasury announced that at its regular weekly auction of $13.2bn of bills, the yield on the three-month bill fell to 10.27 per cent from 10.33 per cent at last week's auction and the six-month bill, yielding 10.39 per cent, was one basis point lower on the week.

Money market rates were mixed while corporate bond prices were marked down in light trading.

In the stock markets, the motor manufacturers were uniformly higher as United Auto Workers officials expressed confidence that their members would accept the tentative new contract with General Motors.

GM itself traded $1 higher at $77⅛ despite its announcement that the acquisition of Electronic Data Systems will dilute its annual earnings by a higher than expected 99 cents a share for five years. Ford put on $1⅛ to $46⅛, and Chrysler was $⅝ higher at $30⅝.

Among blue chips, Merck added $1 to $83, IBM $½ to $124½, General Electric $½ to $55½ and Du Pont $⅛ to $49⅛. Digital Equipment put on $½ to $99⅝, and Texas Instruments $⅛ to $130⅛.

Actively traded issues included Federal Express, up $⅝ to $38⅝, after a Morgan Stanley analyst put the stock on his focus list. Federal Express stock was sharply lower last week after it reported first-quarter earnings sharply lower on 1983 levels.

Other actives included Burlington Northern, $⅛ easier at $48½, and Baxter Travenol, unchanged at $14⅛.

Among the aerospace issues, General Dynamics fell $2 to $65⅛, Lockheed $1⅜ to $45⅜ and McDonnell Douglas $⅛ to $67⅛ after a Salomon Brothers analyst downgraded his rating on the issues.

Walt Disney Productions dipped $3 to $60⅛ as a new management team was installed in an effort to stem uncertainty over the future direction of the entertainments company.

Among bank holding groups, Society Corp dipped $⅝ to $33½, and Centran Corp added $2¼ to $31¼ after agreement in principle was reached for Society to acquire Centran.

Avco, the financial services, aerospace, insurance and film industry group, dipped $⅛ to $33⅜ as it announced higher third-quarter net earnings.

LONDON

Coal dispute blacks out rate signals

CONCERN about the coal miners' strike took precedence over the brighter outlook for lower interest rates yesterday in London and led prices lower.

The FT Industrial Ordinary index closed 8.0 down at 863.4 during dull trading which left small sellers in a dominant position over industrial and financial issues.

Among banks Barclays lost 8p to 475p, and Lloyds the same amount to 485p. Disappointing results from offshore exploration in China pushed BP 7p lower to 510p.

Government stocks closed higher, but the gains were largely a reflection of Friday's after-hours advance. UK fund managers failed to respond to the prospect of cheaper money, and turnover was moderate.

Slightly lower U.S. bond prices, in a market awaiting news of more general prime lending rate cuts, caused some indecision in the late afternoon trade, but the gilts tone after hours was steady to firm.

Chief price changes, Page 32; Details, Page 33, Share information service, Pages 34-35

HONG KONG

PROFIT-TAKERS chose the run-up to the formal signing of the Sino-British accord on the future of Hong Kong to take advantage of the market's recent gains.

After an early advance the Hang Seng index started a progressive slide under the weight of international institutional selling to finish 9.26 down at 990.82.

Banks and utilities were steady, but properties fluctuated widely. Among property issues Cheung Kong fell 10 cents to HK$8.35, Hongkong Land 5 cents to HK$3.05 and Henderson Land 4 cents to HK$1.40.

AUSTRALIA

SUPPORT for gold and mining issues was the highlight of otherwise thin trading in Sydney. The impetus for the renewed interest in the mineral sector came from a firm tone on international metals markets. The All-Resources index added 8.5 to 489.4.

CRA added 14 cents to A$5.04, Western Mining Corporation 19 cents to A$3.25 and CSR 3 cents to A$3.15. Industrials were subdued while banks were generally firmer, with the ANZ up 4 cents to A$4.84, Westpac 3 cents to A$3.75 and the National Commercial 2 cents to A$3.38.

SINGAPORE

A LACK of fresh buying orders left sellers firmly in control in Singapore, and share prices eased across a broad front.

The Straits Times industrial index lost 3.30 to 890.22, while turnover fell to 5.3m from last Friday's 7.7m, with two issues dominating the session.

A further 599,000 Supreme Corporation shares changed hands as it closed 2 cents lower at S$1.83, followed by Pabang Consolidated, which traded 465,000 shares and ended 1 cent up at S$1.37.

SOUTH AFRICA

ENCOURAGING signs from the international bullion market pushed gold shares higher in Johannesburg during steady trading.

Vaal Reefs finished R8 higher at R170.50, and Buffels R3 up at R80, while smaller issues moved in sympathy. Most mining financials closed firmer.

A reduction in South Africa's annual inflation failed to spur activity in the industrial sector, and most issues closed steady with a slightly firmer bias.

CANADA

WEAKNESS remained evident during trading in Toronto with resource stocks, banks and utilities edging lower.

Gold stocks provided the only resistance, although price movements were slight.

Montreal was also down across a broad front in slow trading.

EUROPE

Fluctuating currencies take toll

THE FRENZIED fluctuations in foreign exchange rates took their toll on Frankfurt stocks yesterday as investors became uncertain of the degree to which the dollar would fall amid strong Bundesbank intervention.

For good measure professional traders continued to take profits, thereby increasing selling pressure and leaving the Commerzbank index 9.7 weaker at 1,048.5.

Virtually every blue chip fell, with banks and car makers badly mauled. Commerzbank suffered most with a DM 7.30 fall to DM 163.50, while Bayerische Vereinsbank managed to hold its loss to DM 3 at DM 313.

BMW had the dubious distinction of outpacing the rest of the motor sector with a DM 9.50 fall to DM 379 as Daimler turned DM 7.20 cheaper at DM 577.

AEG, which achieved successive new 1984 highs last week, shed DM 2.30 to DM 113, while Siemens reversed DM 5.70 of last week's DM 17.50 advance to close at DM 421.80.

Allianz was again volatile with one of the largest drops of the session – DM 37 to DM 990 – while stores group Horten was one of the few to rise, gaining 20 pfg to DM 178.

Bonds closed quietly firmer as the Bundesbank sold DM 12.2m of paper compared with Friday's sales of DM 4m.

Banks displayed a measure of stability in an otherwise unsettled Amsterdam where attention was focused on currencies and Wall Street's subsequent reaction to the course of the dollar. The ABN-CBS index dropped 2.3 to 174.0.

ABN added 50 cents to Fl 316.50 while Amro was steady at Fl 63. Publishers were weak, with VNU Fl 2.80 cheaper at Fl 173.50 and Océ van der Grinten Fl 2.50 off at Fl 252.50.

Boskalis, which hit a Fl 52 high for the year some nine months ago, remained plagued by misfortune and shed a further Fl 1.70 to Fl 11.80.

KLM oscillated during the session but finally finished with an 80-cent fall to Fl 186 after Friday's 5-for-1 share split.

A quieter bond market turned slightly lower.

Hopes for a cut in official interest rates continued to support **Brussels.** Wagons Lits regained some of last week's losses with a BFr 40 advance to BFr 2,430 on a higher 1984 earnings forecast, while Gevaert secured a BFr 65 rise to BFr 3,700.

Interest-rate sensitive utilities were mixed, with Intercom BFr 10 up at BFr 2,270. Market leader Petrofina slipped BFr 20 to BFr 7,660.

Paris firmed slightly although a number of recently favoured issues encountered profit-taking such as Club Med, FFr 27 down at FFr 1,105, and Moët-Hennessy FFr 36 lower at FFr 1,891. BSN lost FFr 12 to FFr 2,600, while Carrefour slipped FFr 5 to FFr 1,615.

Bonds were overshadowed by the one-third increase to FFr 20bn in the new state bond.

Insurance and industrial shares led **Milan** selectively higher with particular attention paid to Pesenti-related issues, which generally held steady. Elsewhere, Fiat turned L8 lower to L1,880, and Montedison gained L20 to L1,80 ahead of stronger first-half results.

Stockholm was led broadly lower by Skandia, SKr 35 down at SKr 270, following Friday's dismal profit forecast. Asea, at SKr 380, and Volvo, at SKr 228, each shed SKr 10, while Stora Kopparberg was unchanged at SKr 175 ahead of its bid for Billerud.

Steady banks and weaker insurers were evident in an easier **Zurich**, while communications shares were buoyant in **Madrid.**

TOKYO

Bright light falls on vacant seat

SECURITIES houses in Japan and abroad are eyeing a seat on the Tokyo stock exchange to be vacated next April on the scheduled merger of two securities firms and a securities investment trust sales company, parts of the large Yamaichi Securities group, *writes Shigeo Nishiwaki of Jiji Press.*

U.S. and European securities firms as well as non-member Japanese securities companies have been eager to acquire seats on the exchange, but its constitution limits membership to 83. This has been a factor in the financial friction between Japan and the U.S.

The external pressure eased temporarily last May when Mr Noboru Takeshita, the Japanese Finance Minister, made an encouraging response to a request for co-operation by Mr Donald Regan, the U.S. Treasury Secretary, in a report prepared by the working group on yen/dollar exchange rate issues.

The report said: "The Minister of Finance has requested the Tokyo stock exchange to study ways of providing opportunities of membership to foreign and domestic non-member firms, including the revision of the existing system. In the meantime, the Ministry of Finance is prepared to assist non-Japanese securities firms in efforts to join the Tokyo stock exchange under the existing system."

Japan's commitment is now to be put to the test following the September 6 announcement by Koyanagi Securities, Daifuku Securities and Yamaichi Securities Investment Trust Sales of their agreement to merge into a single unit next April.

The decision rests with Yamaichi, one of the country's big four brokerage houses, and the Finance Minister has asked the company to bear in mind its wish for a wider membership. Mr Hisamitsu Uetani, Yamaichi's chairman, said: "Equal opportunity will be given to foreign and Japanese applicants."

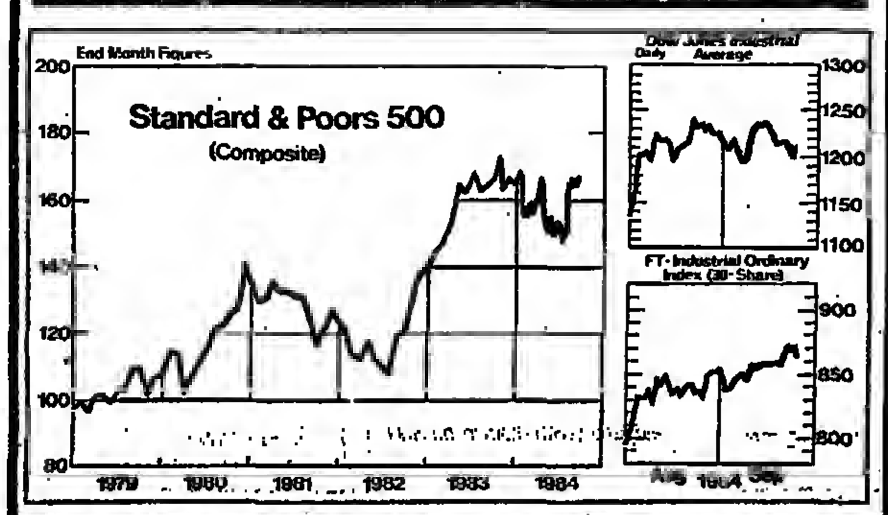
The company would select a buyer by the end of this year, he said.

A surprising element is that – although Yamaichi seems to have seized the opportunity to demonstrate its positive stance toward the challenge of internationalisation – it has already received applications from several of the non-member securities firms in its group, but not a single approach from foreign securities houses.

Merrill Lynch International Bank, which was the first foreign securities house to undertake securities business in Japan, has repeatedly pushed for access to membership. Bache Securities Japan is also eager to acquire a seat, but its Tokyo office manager is weighing profitability against the considerable expense involved. Many other foreign securities houses are said to be in a similar dilemma.

Membership is said to cost Y1bn to Y1.1bn ($4.1m to $4.5m), compared with around $350,000 for a New York stock exchange seat.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Sept 24	Previous	Year ago
NEW YORK			
DJ Industrials	1,205.06	1,201.74	1,255.59
DJ Transport	515.57	518.69	584.33
DJ Utilities	134.90	135.31	133.43
S&P Composite	165.28	165.67	169.51
LONDON	**Sept 24**	**Previous**	**Year ago**
FT Ind Ord	863.4	871.4	702.5
FT-SE 100	1,122.1	1,127.0	970.7
FT-A All-share	528.24	530.8	450.84
FT-A 500	576.26	579.64	487.96
FT Gold mines	564.6	542.3	634.5
FT-A Long gilt	10.4	10.41	10.27
TOKYO			
Nikkei-Dow	closed	10,505.11	9,280.3
Tokyo SE	closed	814.49	684.65
AUSTRALIA	Sept 24		
All Ord.	731.8	725.7	708.0
Metals & Mins.	442.4	432.0	571.1
AUSTRIA			
Credit Aktien	54.32	54.23	55.02
BELGIUM			
Belgian SE	163.19	162.76	132.24
CANADA	**Sept 24**	**Prev.**	**Yr ago**
Toronto			
Metals & Minls	1,956.6	1,958.3	—
Composite	2,370.1	2,385.1	2,582.7
Montreal			
Portfolio	118.88	118.06	128.42
DENMARK	**Sept 24**	**Previous**	**Year ago**
Copenhagen SE	171.44	170.0	197.44
FRANCE			
CAC Gen	177.3	177.7	137.6
Ind. Tendance	115.8	118.3	88.41
WEST GERMANY			
FAZ-Aktien	361.72	365.18	314.78
Commerzbank	1,048.5	1,058.2	934.8
HONG KONG			
Hang Seng	990.82	1,000.08	785.48
ITALY			
Banca Comm.	215.21	215.01	195.93
NETHERLANDS			
ANP-CBS Gen	174.0	176.3	142.7
ANP-CBS Ind	135.4	137.2	114.8
NORWAY			
Oslo SE	255.14	257.52	207.88
SINGAPORE			
Straits Times	890.22	893.52	990.41
SOUTH AFRICA			
Golds	994.1	971.1	872.8
Industrials	855.6	957.1	954.3
SPAIN			
Madrid SE	147.1	148.6	115.85
SWEDEN			
J & P	1,418.66	1,446.31	1,471.97
SWITZERLAND			
Swiss Bank Ind	375.5	377.2	334.3
WORLD	**Sept 21**	**Prev**	**Year ago**
Capital Int'l	182.2	183.1	181.1

GOLD (per ounce)

	Sept 24	Prev
London	$347.00	$348.50
Frankfurt	$346.00	$343.75
Zürich	$346.25	$344.25
Paris (fixing)	$347.67	$336.60
Luxembourg (fixing)	$348.25	$340.50
New York (Sept)	$345.50	$347.30

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Sept 24	Previous	Sept 24	Previous
£	—	—	1.2465	1.2475
DM	3.023	3.06	3.7575	3.83
Yen	244.1	244.0	304.0	304.125
FFr	9.2455	9.4	11.5265	11.9425
SwFr	2.4925	2.5075	3.1025	3.155
Guilder	3.4025	3.455	4.245	4.2963
Lira	1870.5	1895.0	2339.5	2391.5
BFr	61.05	61.7	76.0	78.025
C$	1.3156	1.3162	1.6415	1.6425

INTEREST RATES

	Sept 24	Prev
Euro-currencies (3-month offered rate)		
£	10[illegible]	10[illegible]
SwFr	5⅛	5⅛
DM	5⅝	5⅝
FFr	11⅞	11[illegible]
FT London Interbank fixing (offered rate)		
3-month U.S.$	11⅝	11⅞
6-month U.S.$	11[illegible]	11⅞
U.S. Fed Funds	10[illegible]	11
U.S. 3-month CDs	11.10	11.30
U.S. 3-month T-bills	10.30	10.28

U.S. BONDS

	Sept 24*		Prev	
Treasury	Price	Yield	Price	Yield
11⅞ 1986	99[illegible]	12.09	99[illegible]	12.06
13⅛ 1991	105[illegible]	12.53	105[illegible]	11.47
12⅜ 1994	100[illegible]	12.48	100[illegible]	12.45
12½ 2014	101[illegible]	12.25	102[illegible]	12.21
Corporate	Price	Yield	Price	Yield
AT & T				
10⅜ June 1990	90½	12.75	90⅞	12.75
3⅞ July 1990	71⅜	10.70	71⅜	10.70
8⅜ May 2000	72⅜	12.85	72⅜	12.85
Xerox				
10⅞ March 1993	88⅜	12.85	88⅜	12.85
Diamond Shamrock				
10⅜ May 1993	88⅜	12.95	88⅜	12.95
Federated Dept Stores				
10⅜ May 2013	82⅞	12.90	82⅞	12.90
Abbot Lab				
11.80 Feb 2013	92⅜	12.85	92⅜	12.85
Alcoa				
12⅛ Dec 2012	92⅞	13.30	92⅞	13.30

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	67-10	67-16	67-05	67-22
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	88.90	88.99	88.89	88.99
Certificates of Deposit (IMM) $1m points of 100%				
Sept	88.80	88.86	88.70	88.83
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	88.67	88.72	88.66	88.77
20-year Notional Gilt £50,000 32nds of 100%				
Sept	108-22	108-29	108-27	108-30

COMMODITIES

(London)	Sept 24	Prev
Silver (spot fixing)	612.65p	588.30p
Copper (cash)	£1,028.50	£1,033.50
Coffee (Sept)	£2,388.50	£2,401.00
Oil (spot Arabian light)	$28.02	$27.93

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13⅛	AAR	.48	2.2	23	137	22	21½	22	+⅛
18⅝	13⅛	AMF	.50	3.0	150	538	16¾	16⅝	16½	−⅛
41¼	24⅛	AMR			4	1657	28⅛	28¼	28⅜	−⅛
20⅜	18⅛	AMR	pf2.18	11.		18	20⅛	19⅞	20⅛	+⅛
41½	27½	AMR	pf2.13	7.0		128	31½	30¼	30¼	−1¼
25½	22⅞	ANR	pf2.67	11.		3	24	24	24	
16¼	8½	APL				15	11	10¾	10¾	−¼
67½	40¼	ARA	2.10	3.2	13	1976	66⅛	65¼	65¼	−⅜
69¾	44¼	ASA	3a	5.4		817	56½	55¼	55½	−⅛
30⅛	16½	AVX	.32	1.8	11	242	19⅞	18	18⅛	−1⅛
53⅛	38¼	AbtLab	1.20	2.8	14	2443	43¾	42¾	43¼	−¼
35⅞	23⅛	AccoWd	.66	2.0	19	166	33¼	33	33	−⅛
27⅜	12½	AcmeC	.40	2.6		210	15¾	15⅛	15½	−⅛
12⅞	8¼	AcmeE	.32b	3.3	15	93	9¾	9⅝	9⅝	+⅛
24⅞	11	AdmDg	.04	.2	10	46	18	17½	17½	+⅛
18¾	15	AdaEx	2.11e	13.		78	16¾	16½	16⅝	
18⅛	11⅞	AdmMl	.28	1.9	10	1	14½	14½	14½	+⅛
22	13½	AdvSys	.81t	5.0	15	46	16¼	16⅛	16⅛	
41⅛	25⅛	AMD			21	2798	37⅛	36⅜	36⅜	−⅛
15⅝	7⅛	Advest	.12	1.3		26	9⅞	9½	9½	−⅜
19⅛	9⅝	Aerflex			11	13	11⅜	11¼	11¼	
39	27¼	AetnLf	2.64	7.8	31	862	34⅝	33⅞	33⅞	−¼
58⅛	54	AetL	pf5.78e	10		89	56¼	55⅞	55⅞	
34½	18¼	Ahmns	1.20	5.3	6	2037	22⅞	22¼	23½	+⅛
5½	2⅞	Aileen				11	3	2⅞	3	
49	36½	AirPrd	1.20	2.6	10	508	46½	46¼	46¼	−⅜
30⅞	13	AirbFrt	.60	3.5	9	91	17⅛	16⅝	17	−⅛

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 31

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21⅞	16	WshWt	2 48	14	6	105	18¼	17⅞	17⅞	-⅛
49⅝	27⅞	Weste	80	1.9	16	673	42¼	42	42	-¼
30¾	18	WalkJ	s .32	1.3	14	31	23⅝	23⅛	23⅛	+¼
15	10¼	WayGos	.20	1.6	9	11	12½	12½	12½	
28⅞	22½	WayG	pf1 60	6.3		12	25¼	25½	25½	-¼
10⅞	4	WeanU				32	7⅛	7⅛	7⅛	
12	9	Wean	pf 63k			1	11½	11½	11½	
24⅛	12⅞	WebbD	.10e	5	10	530	19	17¾	18¼	-¼
36½	28	WeisMk	.64	1.9	13	1	33⅝	33⅝	33⅝	+⅛
44⅛	30⅞	WellsF	2 18	5.0	7	x254	43⅛	42⅞	43⅛	+¼
50	40	WelF	pf5 04e	12		5	43⅛	42½	43⅛	-½
28⅞	22⅞	WelFM	2 80	11	10	41	25¼	25	25⅛	-⅛

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Sept. 24	Price Sch%	+ or —
Creditanstalt	210	...
Goesser	322	...
Interunfall	581	—19
Laenderbank	210	...
Perlmooser	346	+1
Steyr-Daimler	148	+1
Voitscher Mag.	223	...

BELGIUM/LUXEMBOURG

Sept. 24	Price Frs.	+ or —
ARBED	1,615	—40
Banq Int A Lux	5,400	...
Bakeert B	4,390	—10
Ciment CBR	8,700	...
Cockerill	283	—3
Delhaize	5,680	...
EBES	2,870	—20
Electrobel	8,090	+40
Fabrique Nat	8,140	...
GB Inno BM	3,375	—10
GBL (Brux)	8,390	+5
Gevaert	3,700	+65
Hoboken	6,930	+30
Intercom	8,270	+10
Kredietbank	7,200	+50
Pan Hldgs	10,030	—230
Petrofina	7,660	—20
Royale Belge	9,400	+50
Soc. Gen. Banq	3,205	—20
Soc. Gen. Belge	1,850	+3
Sofina	7,100	+50
Solvay	4,550	—10
Traction el	4,080	...
UCB	5,460	...
Vieille Mont.	4,770	+30

DENMARK

Sept. 24	Price Knr %	+ or —
Aarhus Olie	455	+5
Andelsbanken	237	+5
Baltic Skand	055	...
CopHandelsbank	248	+5
D. Sukkerfab	025	+5
Danske Bank	242	+5
East Asiatic	101	+8
Forenede Brygg.	850	...
Forenede Damp.	88	—1
GNT Hldg	405	...
I.S.S.B.	389	...
Jyske Bank	449	+4
Novo Ind.	1,830	+13
Privatbanken	214	...
Provinsbanken	308	+3
Smidth (F)	823	+11
Sophus Berend	835	...
Superfos	440	+2

GERMANY

Sept. 24	Price Dm.	+ or —
AEG-Telef.	115	—2.3
Allianz Vers	980	—37
BASF	105	—3.6
Bayer	170.3	—3
Bayer-Hypo	885.6	—1.5
Bayer-Verein	315	—3
BHF-Bank	862	—6
BMW	379	—8.5
Brown Boveri	203	—6.2
Commerzbank	103.3	—7.3
Cont'l. Gummi	127.8	—3.2
Daimler-Benz	577	—7.2
Degussa	370	—7
D'sche Babcock	105	—1.5
Deutsche Bank	365xr	—4.5
Dresdner Bank	166.5	—6
GHH	132	—4
Hochtief	483	—8
Hoechst	171.5	—3.3
Hoesch Werke	87	—1.3
Holzmann (P)	379	—6
Horten	178	+0.2
Kali und Salz	238	—2
Karstadt	842	—3
Kaufhof	225	—1.5
KHD	251	—2.3
Kloeckner	01.8	—1.2
Krupp	80	+1
Linde	386	—11.5
Lufthansa	158	—3
MAN	156	—3.5
Mannesmann	154.8	—3.2
Mercedes Hld	514	—1
Metallgesell	215	—3.3
Muench Rueck	1,850	...
Preussag	252.5	—3.5
Rhein West Elect.	101	—2.4
Rosenthal	248	—4
Schering	382	—12.0
Siemens	421.8	—3.7
Thyssen	76.1	—2.2
Varta	175	—3
Veba	166.5	—0.5
V.E.W.	118.5	—1.4
Verein-West.	295	...
Volkswagen	175.2	—1.7

ITALY

Sept 24	Price Lira	+ or —
Banca Com'le	10,620	—80
Bastogi-IRBS	140	...
Centrale	1,801	—24
Credito Varesino	3,840	...
Fiat	1,880	—8
Fineider	40	+0.5
Generali Assicur	32,890	+140
Invest	8,700	—93
Italcementi	56,500	...
Montedison	1,180	+20

JAPAN (continued)

Sept. 21	Price Yen	+ or —
MHI	286	—8
Mitsui Co	330	—4
Mitsui Estate	634	—10
Mitsukoshi	373	—3
NGK Insulators	870	+2
Nihon Cement	201	—5
Nippon Denso	1,310	—30
Nippon Elect	1,330	...
Nippon Express	504	—1
Nippon Gakki	1,100	+60
Nippon Kokan	139	...
Nippon Oil	881	—9
Nippon Seiko	580	—3
Nippon Shimpan	518	+3
Nippon Steel	150	...
Nippon Suisan	321	+1
NTV	12,600	—500
Nippon Yusen	280	...
Nissan Motor	610	+3
Nisshin Flour	490	+3
Nisshin Steel	166	—1
Nomura	705	—10
Olympus	1,100	+20
Orient Leasing	3,680	+40
Pioneer	2,740	+30
Renown	830	+16
Ricoh	970	+1
Sankyo	860	—10
Sanyo Elect	609	...
Sapporo	378	—3
Sekisui Prefab	600	+10
Seven-Eleven	8,590	...
Sharp	1,140	+10
Shimadzu	600	—1
Shionogi	660	—7
Shiseido	1,130	+20
Sony	3,820	+100
Stanley	868	—1
S'tomo Bank	230	+5
S'tomo Elect	890	+5
S'tomo Marine	583	—5
S'tomo Metal	150	—4
Taihei Dengyo	450	—8
Taisei Corp	199	...
Taisho Pharm	950	+3
Takeda	751	—9
TDK	5,580	...
Teijin	403	—1
Teikoku Oil	685	+4
Tokyo Marine	588	—1
TBS	818	—1
Tokyo Elect Pwr.	1,180	+40
Tokyo Gas	146	...
Tokyo Sanyo	706	+5
Tokyo Style	733	+5
Tokyu Corp	207	—5
Toppan Print	850	—10
Toray	413	+2
Toshiba Elect	457	—4
TOTO	605	—2
Toyo Seikan	775	+2
Toyota Motor	1,360	...
Victor	5,200	...
Wacoal	778	+2
Yamaha	573	—2
Yamanouchi	1,480	...
Yamazaki	067	+2
Yasuda Fire	283	...
Yokogawa Bdge.	410	...

SINGAPORE

Sept. 24	Price $	+ or —
Boustead Hldgs.	2.05	—0.03
Cold Storage	3.14	...
DBS	7.7	—0.05
Fraser & Neave	5.5	...
Genting	8.3	...
Haw Par. Bros.	2.14	+0.01
Inchcape Bhd.	2.00	—0.06
Keppel Shipyard	2.06	—0.01
Malay Banking	8.8	...
Malay Brews	6.85	...
Multi Purpose	1.05	...
OCBC	8.4	...
OUB	3.98	—0.02
Sime Darby	2.1	—0.01
Straits S'mship.	1.16	+0.02
Straits Trdg.	8.1	—0.05
UOB	4.54	+0.02

SOUTH AFRICA

Sept. 24	Price Rand	+ or —
Abercom	1.53	+0.05
AE&CI	7.45	...
Anglo Am Coal	35.25	+0.25
Anglo Am Corp	22.5	+0.30
Anglo Am Gold	159	...
Barclays Bank	13.25	...
Barlow Rand	10.8	+0.2
Buffels	60	+3
CNA Gallo	2.0	...
Currie Finance	3.23	...
De Beers	8.7	—0.1
Driefontein	50.75	—0.25
FS Geduld	36	+4
Gold Fields SA	27.25	+0.75
Highveld Steel	4.4	+0.2
Nedbank	11.25	+0.25
OK Bazaars	12.75	+0.15
Protea Hldgs	1.65	...
Rembrandt	25.5	...
Rennies	12.50	...
Rust Plat	14.70	+0.35
Sage Hldgs	7.2	...
SA Brews	5.0	...
Smith (CG)	18	...
Tongaat Hulett	7.00	—0.2
Unisec	4.95	...

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Exch. 12pc 1998	£110¼	+½
Aero & Gen.	300	+35
Baggeridge Br.	178	+8
Cohen (A.)	480	+40
Cookson	378	+18
Eastern Produce	280	+8
Equipu	167	+17
House of Fraser	276	+8
Imperial Group	179	+8
Union Discount	675	+15
Wood (S.W.)	27	+5
Bristol Oil & Min	42	+8
McLeod Russel	293	+18
Cent Norse Gold	348	+30
Cons. Gold F.	495	+8
RTZ	572	+7
Rustenburg Plat.	710	+25
Vaal Reefs	£82	+4¾

FALLS

Anchor Chemical	155	—9
Astbury & Mad.	107	—13
Barclays Bank	475	—8
Beatson Clark	155	—8
Beecham	358	—10
Kenning Motor	100	—8
Lloyds Bank	465	—8
Lyle Shipping	28	—3
Planet	52	—7
Thorn EMI	420	—10
Travis & Arnold	280	—17
BP	510	—7

Continued on Page 40

CANADA

TORONTO

Closing prices September 24

MONTREAL

Closing prices September 24

Indices

NEW YORK

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

NEW YORK CLOSING PRICES

Continued from Page 31

LONDON STOCK EXCHANGE

MARKET REPORT

Pit dispute takes precedence over interest rate moves and equity leaders fall

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Sept 17	Sept 27	Sept 28	Oct 8
Oct 1	Oct 11	Oct 12	Oct 22
Oct 15	Oct 25	Oct 26	Nov 5

* "New-time" dealings may take place from 6.30 am two business days earlier.

Concern about the coal miners' dispute took precedence over the brighter outlook for lower interest rates yesterday and London stock markets began the final leg of the trading Account in subdued fashion. While the ballot of NACOD members (pit supervisors and deputies) on strike action was taking place, investors were reluctant to open new trading positions and their reticence increased following a report that early voting returns showed strong support for a national stoppage.

Wall Street's reversal late last Friday had little effect on early London sentiment. The subsequent lull in investment interest, however, allowed small sellers to dominate markets in both Industrial and financial shares with the result that leading issues retreated.

Sterling's easier trend was another cause for uncertainty. A distinctly firmer New York market tone in early trading failed to stabilise prices and the FT Industrial Ordinary share index closed eight points down at the day's lowest of 863.4.

Government stocks closed higher, but the gains were largely a reflection of Friday's after-hours' advance. UK fund managers failed to respond to the prospect of cheaper money and turnover in this market was moderate too. Possibly inhibiting business was the close proximity of the partly-paid tap stock, Treasury 10½ per cent Convertible 1992, to the authorities' selling level, assumed to be 60¼.

Slightly lower U.S. bond prices in a market awaiting news of more general Prime lending rate cuts caused some indecision in the late afternoon trade, but the Gilt-edged tone after-hours was steady to firm. The latest bulldog issue, European Investment Bank 10¾ per cent 2004, again attracted a lively business. In £30-paid form, the stock rose to 30¾ before easing to close a net ½ up at 30¼.

Banks easier

The major clearing banks encountered some selling, but falls were generally modest. Midland, still awaiting news about the sale of Crocker National's San Francisco headquarters, were only marginally cheaper at 338p. Barclays closed 8 down at the day's lowest of 475p, as did Lloyds, at 465p. NatWest lost 5 to 498p. Elsewhere, Bank of Scotland held steady at 380p awaiting today's interim results, but Royal Bank of Scotland slipped 4 to 224p. Among overseas banks, Standard Chartered eased to 470p before picking up to close 5 dearer on balance at 478p. Discount Houses featured Union which attracted late support and rose 15 to 675p. First National Finance gained the turn at 75½p, while London Scottish Finance hardened a couple of pence to 85p.

Recently firm on sterling dollar influences, Lloyds brokers met with profit-taking. C. E. Heath gave up 5 to 503p and Sedgwick shed 4 to 285p, while Hogg Robinson eased 3 to 207p. Minet lost 4 to 165p. Windsor Securities, however, firmed a penny to 47p following favourable Press comment. USM-quoted Dewey Warren continued to attract buyers and added 2 to a peak of 152p. Composites were generally neglected, but General Accident found support and rose 6 to 461p. United Friendly gained 10 to 288p in reply to the good half-year figures.

Disappointing interim profits and a cautious statement sparked off selling of Travis and Arnold which fell away sharply to close 17 down at the day's lowest of 280p. Among other Building issues, Press suggestions of a possible rights issue to help finance U.S. acquisitions left Tarmac down 6 at 436p. George Wimpey slipped a couple of pence to 109p ahead of Thursday's half-timer, while occasional selling in a restricted market clipped 10 from McCarthy and Stone, at 220p. Profit-taking left recent bid favourite Ward Hold-Brick rose 8 to 176p amid revived takeover talk.
ings 3 off at 148p, but Baggeridge

A shade firmer initially, ICI drifted back in the absence of support to close 4 cheaper at 644p. On the other hand, Yorkshire Chemicals attracted speculative demand and touched 50p prior to closing 2 dearer at 48p. Among other Chemicals, Anchor fell 9 to 155p following the fire at its Manchester plant.

Frasers feature

Major Retailers again lacked sparkle and movements were usually confined to a couple of pence either way. A noteworthy exception was provided by House of Fraser which advanced 8 to 278p amid revived speculation of a bid from Seagram; Fraser's annual meeting is due to be held in Glasgow this Friday. Raybeck, scheduled to announce interim figures next month, eased 2 to a 1984 low of 29p.

Secondary Stores were also subdued, although proceedings were occasionally enlivened by a steady stream of company trading statements. Foremost on this front was Freemans which announced more-than-doubled interim profits and touched 128p before settling only 2 dearer on balance at 122p. Elsewhere among Mail-orders, Empire, first-half figures due October 11, hardened 2 to 78p, after 80p, in sympathy. S. Casket hardened a penny to 41p, after 42p, on the increased preliminary profits and dividend, together with a proposed 1-for-10 scrip issue. Moss Bros bardened a few pence to 340p on the interim statement, but Superdrug were unchanged at 330p as the mid-term profits proved to be slightly below best estimates. Combined English Stores rose 3 at 87p following a favourable article: the interim figures are due today.

Unsettled by comment suggesting a possible price war in consumer electronics, Thorn EMI drifted off to close 10 cheaper at 420p, but other losses in the Electrical leaders were limited to a couple of pence. Awaiting today's preliminary results, Acorn Computers hardened a few pence to 118p, but NEI, interim figures due today, eased 2 to 79p. Fidelity were temporarily suspended at 118p; Caparo announced late yesterday an increased recommended offer of 125p per share for Fidelity.

The Engineering majors drifted lower for want of support, but secondary issues recorded several outstanding movements. A. Cohen featured a rise of 40 to 480p, after 490p, in response to a newsletter recommendation, while comment on last week's annual results prompted fresh demand for S. W. Wood, which closed 5 dearer at 27p, after 28p. News of the increased interim dividend and profits left Metalrax 3 higher at 55p, but the sharp fall in mid-term earnings lowered Planet Group 7 to 52p.

Against the trend in quietly dull Foods, Ranks Hovis McDougall met with revived demand on suggestions that Tate and Lyle could bid and the close was 2½ up at 102p. On the other hand, Rowntree Mackintosh, which lost 22 last week, slipped 4 more to 322p as takeover talk faded. Among Retailers, Bejam attracted fresh support and firmed 2 to a 1984 peak of 165p, but Hillards failed to glean any encouragement from the chairman's optimistic statement at the annual meeting and shed 6 to 258p.

Beatson Clark down

Leading miscellaneous Industrials gave ground, but the losses were usually modest. Beecham, however, encountered occasional offerings and gave up 10 at 358p along with Hanson Trust, which ran back 6 to 234p. Elsewhere, the interim profits setback left Beatson Clark 8 down at 155p, while Astbury and Madeley fell 13 to 107p following the mid-term figures and cautious statement on the second-half prospects. Weekend Press mention stimulated fresh demand for Cookson, which advanced 18 to 376p, but disappointment with the half-year statement prompted selling of Hestair which fell to 44p before rallying to close 4 down on balance at 49p. Further buying in a restricted market left Aeronautical and General up 35 more at 300p, but Marley, a recent takeover favourite, came back 2½ to 89p. Favourable comment prompted a rise of 7 to 177p in Dunhill, and Equipu responded smartly to a newsletter recommendation with a rise of 17 to 167p. Late demand lifted Sangers 4 to 45p, but Synterials fell that amount to 29p on news that Mr K. Happel is resigning as technical director and disposing of his holding in the company.

Samuelson Group drew renewed demand in front of today's annual results and rose 10 to 420p, after 425p. Central Independent Television, half-timer due on Thursday, firmed 5 to 230p. Elsewhere, First Leisure moved up 4 to 190p, but Juliana's lost 5 to 165p; N. J. Irens, a Juliana director, recently sold 150,000 shares at that price.

Among Motor Distributors, Kenning succumbed to profit-taking in the absence of takeover developments and ran back 8 to 100p. Manor National eased a fraction to 11p on news that C. D. Bramall, unchanged at 148p, had acquired a disclosable stake in Manor, but that bid talks between the two companies had not met with any success.

Link House rose 15 to 500p in response to the increased annual profits and dividend. Elsewhere in Publishers, United Newspapers firmed 3 to 318p, while Octopus hardened 5 to 675p; both are due to announce interim figures today. Among advertising agencies, Boase Massimi Pollitt touched 530p before closing only 5 dearer on balance at 520p following the 81 per cent interim profits expansion.

Imperial Group attracted steady support and advanced 6 to a new high of 179p; sentiment was influenced by favourable weekend Press which, in turn, stimulated another sizeable business in Imps' traded options.

Lasmo below best

Weekend Press comment suggesting an encouraging oil/gas discovery off the coast of Indonesia gave a minor boost to BP and LASMO but both subsequently reacted to late profit-taking and closed well below the day's best levels. BP touched 518p before closing a net 7 off at 510p while LASMO, having moved up to 351p initially, dipped to close only 3 firmer on balance at 345p. Enterprise Oil held at 200p following interim results in line with market forecasts. Among secondary issues Bristol Oil and Minerals rose 6 to 42p in response to favourable weekend Press mention. Bryson Oil and Gas settled 2 firmer at 380p, after extremes of 393p and 373p, following the results, proposed scrip issue and sub-division of the shares.

The continuing strength of the commodity price — quality teas rose 10p to 350p per kilo at yesterday's London auction — stimulated fresh demand for selected Plantations. McLeod Russel were particularly strong and rose 18 to 293p, while Eastern Produce advanced 8 more to 260p and Assam Dooars 30 to 480p. Lawrie, which revealed increased full-year earnings last week, firmed a half-point further to £11½.

Golds higher

Mining markets received a major boost at the outset, dealers marking share prices sharply higher in response to last Friday's late upsurge in bullion. However, after an initial flurry of buying interest from Johannesburg and a number of Continental sources, South African Golds ran out of steam and drifted easier as bullion failed to penetrate the $350 an ounce level. The latter reached a day's high of $348.75 but subsequently fell back to close a net 50 cents firmer at $347.

Once again currencies played a major part in gold share trading. Initial firmness in the Rand against the dollar prompted the early Johannesburg buying of Golds but this quickly dried up as the South African currency declined during the afternoon.

Nevertheless, the majority of Golds were left with substantial gains on balance and the Gold Mines index posted its fifth successive improvement, advancing 22.3 to 564.6.

Top quality issues provided the day's features with Vaal Reefs £4½ higher at £82, while gains of around £2 and more were common to Randfontein, £91¾, Buffels, £38½, President Brand, £28¼, and Free State Geduld, £27. Cheaper-priced stocks showed West Rand Consolidated 32 to the good at 438p, ERGO 45 up at 527p, and Leslie 26 better at 239p.

The improvement in bullion coupled with favourable weekend Press coment encouraged good support for Consolidated Gold Fields and Rio Tinto-Zinc. The latter touched 575p before settling a net 7 higher at 572p, while the former rose 8 to 498p, after 497p. Charter initially fell to 230p but rallied to close unaltered on the day at 232p.

South African Financials mirrored Golds and registered widespread gains. Anglo American Corporation hardened ½ to £10½ and GFSA ½ to £13½. Bermudan-registered Minorco held at 580p in front of today's preliminary results.

Platinums were boosted by the three-year labour agreement between the Auto Union and General Motors. Rustenburg were particularly wanted and rose 25 to 710p.

A generally strong Australian mining sector was highlighted by the strength of Golds. Central Norseman jumped 30 to 348p and Poseidon rose 8 to 213p, while GMK hardened 5 to 415p. Leading issues showed Western Mining 8 firmer at 216p and CRA 4 better at 338p.

Demand for Traded Options declined from the exceptionally active levels of last week, although total contracts struck yesterday still amounted to a respectable 4,370. The FTSE 100 attracted 604 calls and 350 puts. ICI returned to favour and recorded 517 calls, 363 in the October 650's. Imperial Group remained to the fore with 421 calls struck, 203 in the November 160's which rose 4 to 19p.

FINANCIAL TIMES STOCK INDICES

	Sept. 24	Sept. 21	Sept. 20	Sept. 19	Sept. 18	Sept. 17	Year ago
Government Secs	80.59	80.28	80.15	80.08	78.46	78.67	82.43
Fixed Interest	83.71	83.47	86.62	83.23	82.61	83.22	84.60
Industrial Ord.	863.4	871.4	866.3	871.8	868.0	859.0	702.5
Gold Mines	564.6	542.3	539.1	526.2	514.5	509.7	634.5
Ord. Div. Yield	4.83	4.78	4.80	4.80	4.87	4.87	4.78
Earnings, Yld.% (full)	11.51	11.40	11.44	11.43	11.61	11.60	8.50
P/E Ratio (net) (*)	10.44	10.54	10.50	10.51	10.35	10.38	13.18
Total bargains (Est.)	17,657	18,504	18,511	18,816	18,110	16,631	20,768
Equity turnover £m.	—	289.75	358.54	297.99	863.11	230.28	207.01
Equity bargains	—	16,357	17,672	16,608	16,558	16,356	17,321
Shares traded (ml)	—	152.1	186.7	167.3	187.0	124.8	186.3

10 am 870.2. 11 am 868.4. Noon 868.2. 1 pm 865.0. 2 pm 865.0. 3 pm 865.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=10.02.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	76.78 (30/7)	127.4 (9/1/35)	46.48 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	155.4 (20/11/47)	50.06 (01/1/75)
Ind. Ord.	828.8 (5/5)	755.3 (23/7)	882.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/5)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 21	Sept. 20
Daily Gilt Edged Bargains	197.5	193.0
Equities Bargains	106.0	114.6
Equities Value	385.7	724.3
5-day Average Gilt Edged Bargains	132.2	133.8
Equities Bargains	108.3	111.8
Equities Value	677.8	609.8

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section; Mon Sept 24 1984: Index No., Day's Change %, Est. Earnings Yield% (Max.), Gross Div. Yield% (ACT at 30%), Est. P/E Ratio (Net); Fri Sept 21 Index No.; Thur Sept 20 Index No.; Wed Sept 19 Index No.; Tues Sept 18 Index No.; Year ago (approx.) Index No.

	Group	Values
1	CAPITAL GOODS (203)	[illegible]
2	Building Materials (23)	[illegible]
3	Contracting, Construction (30)	[illegible]
4	Electricals (14)	[illegible]
5	Electronics (32)	[illegible]
6	Mechanical Engineering (61)	[illegible]
8	Metals and Metal Forming (9)	[illegible]
9	Motors (17)	[illegible]
10	Other Industrial Materials (17)	[illegible]
21	CONSUMER GROUP (193)	[illegible]
22	Brewers and Distillers (23)	[illegible]
25	Food Manufacturing (22)	[illegible]
26	Food Retailing (12)	[illegible]
27	Health and Household Products (9)	[illegible]
29	Leisure (23)	[illegible]
32	Newspapers, Publishing (13)	[illegible]
33	Packaging and Paper (15)	[illegible]
34	Stores (45)	[illegible]
35	Textiles (19)	[illegible]
36	Tobaccos (3)	[illegible]
39	Other Consumer (8)	[illegible]
41	OTHER GROUPS (87)	[illegible]
42	Chemicals (17)	[illegible]
44	Office Equipment (4)	[illegible]
45	Shipping and Transport (13)	[illegible]
46	Miscellaneous (53)	[illegible]
49	INDUSTRIAL GROUP (483)	[illegible]
51	Oils (17)	[illegible]
59	500 SHARE INDEX (500)	[illegible]
61	FINANCIAL GROUP (118)	[illegible]
62	Banks (6)	[illegible]
63	Discount Houses (6)	[illegible]
65	Insurance (Life) (9)	[illegible]
66	Insurance (Composite) (8)	[illegible]
67	Insurance (Brokers) (6)	[illegible]
68	Merchant Banks (12)	[illegible]
69	Property (53)	[illegible]
70	Other Finance (18)	[illegible]
71	Investment Trusts (104)	[illegible]
81	Mining Finance (4)	[illegible]
91	Overseas Traders (14)	[illegible]
99	ALL-SHARE INDEX (740)	[illegible]
	FT-SE SHARE INDEX	[illegible]

FIXED INTEREST

	PRICE INDICES	Mon Sept 24	Day's change %	Fri Sept 21	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	[illegible]				
2	5-15 years	[illegible]				
3	Over 15 years	[illegible]				
4	Irredeemables	[illegible]				
5	All stocks	[illegible]				
6	Debentures & Loans	[illegible]				
7	Preference	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS: British Government Low Coupons 5 years, 15 years, 25 years; Medium Coupons 5 years, 15 years, 25 years; High Coupons 5 years, 15 years, 25 years; Irredeemables; Debs & Loans 5 years, 15 years, 25 years; Preference — [illegible]

BRITISH GOVERNMENT INDEX-LINKED STOCKS: All stocks — [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Stock	Values
Dominion Int. Hldg Inc. 100	[illegible]
Do. Warrants	[illegible]
Extract Wool 50p	[illegible]
F.&C. Pacific Inv Wrts	[illegible]
Feraabrook 20p	[illegible]
Moggatt Bowers 5p	[illegible]
Ind. Scot. Energy	[illegible]
Paul Michael L'w 5p	[illegible]
S & U Stores Warrants	[illegible]
Young (H.)	[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Stock	Values
Asirn Ind. 10p	[illegible]
Count Rowland	[illegible]
Scotland Energy	[illegible]
Meggitt 5p	[illegible]
Molley (R.H.) 10p	[illegible]
NatWest Bank £1	[illegible]
Santos A0.25	[illegible]
Securicor Group	[illegible]
Do. 'A' N/V	[illegible]
Security Services	[illegible]
TNT A$0.50	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ‡ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters (or fully-paid). ‡‡ Introduction. ◆ Unlisted Securities Market. § Placing price. † Figures assumed.

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
Cons Gold Flds	14	487	+21
Geers Gross	13	130	+7
ICI	13	648	+4
Midland Bk	13	340	+8
Exco Int	12	510	+20
Jaguar	12	182	+3
Marley	12	86	+1
BP	11	517	+4
RTZ	11	565	−3
BTR	11	463	+8
Barclays Bk	10	483	−9
Bimid Qual	10	94	+2
Ladbroke	10	211	−7
Polly Peck	10	205	−7

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	90	3	10
Corpns Dom and Foreign Bnds.	38	3	37
Industrials	195	336	886
Financial & Props	71	106	351
Oils	12	36	72
Plantations	5	6	7
Mines	75	21	84
Others	13	127	35
Totals	506	527	1,494

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Barclays Bank	475	−8
Cookson	376	+18
Equipu	167	+17
Freemans	122	+2
Geers Gross	129	+1
Imperial Group	179	+6
Lloyds Bank	465	−8
LASMO	345	+3
RTZ	572	+7
Travis and Arnold	280	−17
Wood (S. W.)	27	+5
Yorkshire Chems	48	+2

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (57)

BRITISH FUNDS (1) · BANKS (1) · CHEMICALS (1) · STORES (5) · ELECTRICALS (1) · ENGINEERING (4) · FOODS (3) · INDUSTRIALS (12) · INSURANCE (1) · LEISURE (2) · PAPER (4) · PROPERTY (4) · TOBACCOS (1) · TRUSTS (9) · OILS (1) · PLANTATIONS (6) · MINES (1) — [illegible]

NEW LOWS (22)

BUILDINGS (1) · CHEMICALS (1) · STORES (1) · ELECTRICALS (2) · ENGINEERING (3) · FOODS (1) · INDUSTRIALS (2) · SOUTH AFRICANS (1) · TRUSTS (3) · OILS (1) — [illegible]

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 24	Oct 5	Dec 20	Jan 7
Oct 8	Oct 19	Jan 10	Jan 21
Oct 22	Nov 2	Jan 24	Feb 4

For rate indications see end of Share Information Service

Money was given for the call of North Kalgurli, Planet, Rowntree Mackintosh, Eglinton Oil and Gas, CASE, RHM, Beecham, Bristol Oil and Minerals, DRG, London and Overseas Freighters, Jaguar, Brunswick Oil, Bristol Channel Ship Repairers, Riley Leisure, Birmid Qualcast, Jardine Matheson and Hutchison Whampoa. A put was done in Riley Leisure, and a double in Birmid Qualcast.

LONDON TRADED OPTIONS

CALLS Oct. Jan. Apr.; PUTS Oct. Jan. Apr. — B.P., Cons Gold, Courtaulds, Com. Union, Cable & Wire, G.E.C., Grand Met., I.C.I., Land Sec., Marks & Sp., Shell Trans., Trafalgar House, BAT Inds, Barclays, Imperial Gp.; CALLS Nov. Feb. May; PUTS Nov. Feb. May — LASMO, Lonrho, P. & O., Racal, R.T.Z., Vaal Reefs; CALLS Sep. Dec. Mar.; PUTS Sep. Dec. Mar. — Beecham, Boots, De Beers, Guest Keen, Hanson, Jaguar, Tesco, FT-SE Index — [illegible]

Sept. 24. Total Contracts 4,370. Calls 3,312. Puts 1,058. * Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series; Nov. Vol. Last; Feb. Vol. Last; May Vol. Last; Stock — GOLD C, GOLD P, SILVER C, SILVER P, $/FL C, $/FL P, £/FL C, £/FL P, ABN C, AEGN C, AH C, AKZO C, AKZO P, AMRO C, AMRO P, GIST C, HEIN C, HEIN P, HOOG C, HOOG P, KLM C, KLM P, NATN C, NATN P, NEDL C, NEDL P, NNO C, PHIL C, PHIL P, RD C, RD P, UNIL C, UNIL P — [illegible]

TOTAL VOLUME IN CONTRACTS: 21,364

A=Ask B=Bid C=Call P=Put

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105⅛	101⅝	Treas. 15pc 1985	101	+1/32	14.75	10.35
102¼	100	Exch. 12pc Cnv. '85	100	+1/32	11.91	10.41
95½	93	Treas 3pc 1985	95¼	+⅛	11.15	10.67
103⅝	99½	Treas 11½pc 1985	100	+¼	11.44	10.65
99¼	96	Treas 8¾pcCnv '85	98	+⅛	8.90	10.66
104	99⅞	Exch. 12¼pc 1985	101¼	+⅛	12.10	10.96
103	99	Exch. 11¾pc '86	100⅞	+¼	11.65	11.00
102	96	Treas. 10pcCnv 1986	98½xd	+⅛	10.17	11.20
91	88¼	Treas 3pc 1986	90¼	.....	3.31	9.21
102	96¾	Exch. 10½pc Cv '86	90	+⅛	10.63	11.27
104	99	Treas 12pc 1986	100	+⅛	11.90	11.41
98¾	93½	Treas 8½pc 1984-86‡‡	95	+1/16	8.91	11.35
108	102	Exch. 19pc 1986	104	+⅛	11.41	11.60
87¼	85	Exch. 2½pc 1986	86	+1/16	2.89	9.59
107	100	Exch. 13¼pc 1987	103⅛	+1/16	12.85	11.61
100⅞	94½	Treas 10¼pcCv '87	97	+1/16	10.53	11.46
86¼	83¾	Exch 2½pc 1987	85	+1/16	2.93	9.36
101	94½	Exch. 10½pc 1987	97¼xd	+1/16	10.74	11.56
92	87	Funding 6½pc '85-87‡‡	89⅞	.....	7.23	11.07
99⅝	92⅞	Treas. 10pc 1987	96	+¼	10.41	11.70
85	81	Treas 3pc 1987	83⅝	+¼	3.59	9.87
105	97¼	Treas. 12pc 1987	100	+1/16	11.95	11.78
94⅞	87	Treas 7¾pc 1985-88‡‡	90	+¼	8.61	11.41
100¼	92	Exch 10½pc '88	96½	+⅛	10.89	11.74
98	89	Treas 9¾pc Cv '88	94⅛	+⅛	10.36	11.72
82	77	Transport 1pc '78-88	77	+1/16	3.85	10.19
96	88	Treas. 9½pc '89	92⅝xd	+⅛	10.26	11.85
106¼	94	Treas 11½pc 1989	99¼	+¼	11.59	11.70
95	87	Treas 9½pc Cnv. '89	93xd	+1/16	10.15	11.37
96	90	Treas 10½pc 1989	95	+¼	11.00	11.77
100	88	Exch. 10pc 1989	93	+¼	10.69	11.76

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
97¼	94⅜	Exch 11pc 1989 (£35pd)	97½	+¼	11.36	11.84
85⅛	77½	Treas 5pc 1986-89	79⅝xd	+¼	6.28	10.26
112¼	100¼	Treas 13pc 1990‡‡	107⅝	+¼	12.37	11.66
110⅞	100¼	Exch. 12½pc 1990	102⅝	+⅛	12.19	11.87
93¼	84⅞	Treas 8¼pc 1987-90‡‡	90¼	+⅛	9.37	11.14
98	90⅝	Treas. 10pcCv 1990	91⅞xd	+⅛	10.79	11.73
107	94⅞	Treas 11¾pc 1991	102	+¼	11.81	11.83
84⅛	75⅝	Funding 5¾pc '87-91‡‡	78⅝xd	+⅛	7.29	10.30
105¼	93⅞	Exch 11pc 1991	96xd	+⅛	11.35	11.67
112⅝	96⅞	Treas 12¾pc 1992‡‡	107⅛	+¼	12.19	11.72
100⅝	86	Treas 10pc 1992	93⅛	+⅛	10.85	11.58
60⅝	58⅝	Tr. 10½pcCv'92 £60pd●	60⅝	+1/16	11.04	11.47
111⅛	95⅛	Exch. 12¼pc '92	103⅛	+¼	11.98	11.78
117½	106⅛	Exch 13½pc 1992	108½	+¼	12.46	11.85
113⅛	98⅛	Treas 12½pc 1993‡‡	106⅞	+¼	11.98	11.68
78⅜	71⅛	Funding 6pc 1993‡‡	74⅝	+¼	8.06	10.45
121¼	106¼	Treas 13¾pc 1993‡‡	115¼	+¼	12.39	11.73
126¼	108⅛	Treas 14½pc 1994‡‡	117⅛	+¼	12.43	11.55
120⅝	106	Exch 13½pc 1994	109¼xd	+⅛	12.25	11.70
114¼	96¼	Exch. 12½pc 1994	106¼	+⅛	11.91	11.63
94½	82⅞	Treas 9pc 1994‡‡	90½	+⅛	10.32	11.11
109¼	94⅞	Treas. 12pc 1995	104¼	+⅛	11.70	11.52
64¼	58¾	Gas 3pc '90-95	63⅛	+¼	4.85	8.53
99⅛	86	Exch. 10¼pc 1995	94⅝	+⅛	11.06	11.44
117⅞	102⅞	Treas 12¾pc 1995‡‡	112⅝	+¼	11.81	11.45
122⅞	106¾	Treas. 14pc '96	117¼	+⅛	12.21	11.60
94⅛	83½	Treas 9pc 1992-96‡‡	87⅛	+¼	10.36	11.05
134⅞	118¼	Treas 15¼pc 1996‡‡	129¼	+½	12.38	11.55
122¼	106½	Exch 13¼pc 1996‡‡	117	+½	11.81	11.31
69½	63¼	Redemption 3pc 1986-96	66¼xd	.....	4.49	7.17
120	104½	Treas 13¼pc 1997‡‡	115	+½	11.79	11.30
104½	87¼	Exch 10½pc 1997	96½	+⅛	11.81	11.18
92½	77½	Treas 8¾pc 1997‡‡	85	+¼	10.37	11.03
134⅝	118¼	Exch. 15pc 1997	121¾xd	+¼	12.19	11.55
95½	84½	Exch 9¾pc 1998	93	+¼	10.70	11.01
78	68	Treas 6¾pc 1995-98‡‡	74⅞	+⅛	9.37	10.67
138⅝	121⅞	Treas. 15½pc '98‡‡	127¼xd	+⅛	12.12	11.44
115	100¼	Exch. 12pc 1998	110¼	+½	11.33	11.12
96	83⅞	Treas 9½pc 1999‡‡	92¼	+¼	10.53	10.64
116¼	104	Exch. 12¼pc 1999	108¼xd	+⅛	11.31	11.09
104½	91	Treas. 10½pc 1999	100⅛	+¼	10.89	10.99

Over Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
102½	89¼	Convers'n 10¼pc 1999	98¼	+⅛	10.82	10.96
121½	106¼	Treas. 13pc 2000	117⅛	+¼	11.35	11.81
128½	112¼	Treas. 14pc '98-01	123⅛	+¼	11.84	11.32
113⅛	98⅝	Exch. 12pc '99-02	109⅛	+¼	11.22	11.00
98⅞	90	Conv. 10pc 2002	95xd	+⅛	10.48	10.58
126¼	110¼	Treas. 11¾pc 2000-03	122¼	+⅛	11.48	11.06

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for Jan., 1983: 342.6 and for August, 1984: 354.8.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
		Central African					
280	145	Falcon 250c	150		Q100c	♦	30.9
12	9	Wankie Col. Z$1	9		—	—	—
21	14	Zam.Cpr.SBD0.24	16		—	—	—
		Australians					
45	23	ACM 50c	32	+1	—	—	—
38	17	Allstate Explo. NL	39	+1	—	—	—
10½	3½	Asia Oil & Minerals	3½		—	—	—
16½	12	Aust. Hydrocarbons NL	19½		—	—	—
28	16	Australis Mng NL	16½		—	—	—

Tins

Miscellaneous

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
175	100	Colby Res Corp.	125		—	—	—
955	550	Cons. Murch. 10c	640		†Q100c	1.4	7.7
		For Eastern Trans see Mines East Rand					
36	25	Ennex Int. Ir10p	35		—	—	—
252	160	Hampton Areas 10p	190	+2	3.75	2.1	2.6
205	140	Highwood Res.	180	−5	—	—	—
£24½	£16	Homestake Mining $1	£21⅝	+1	Q20c	—	0.7
210	135	McFinley Red Lake	160	+10	—	—	—
229	101	Mulio Explorations	190	−7	—	—	—
55	25	New Sabina Res C$1	27		—	—	—
365	220	Northgate C$1	300	+5	—	—	—
718	500	RTZ	572	+7	†18.0	2.2	4.5
£155½	£113½	Do. 9½pcLn '95-2000	£127½	+2	Q9½%	35.4	(7.6
£11¼	850	Tara Exptn $1	950	−15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock"
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- Interim since increased or resumed
- Interim since reduced, passed or deferred
- Tax-free to non-residents on application
- Figures or report awaited.
- Not officially UK listed; dealings permitted under Rule 535(4)(a).
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- Dealt in under Rule 535(3)
- Price at time of suspension
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable
- Same interim: reduced final and/or reduced earnings indicated
- Forecast dividend, cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided
- No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	86		Arnott	198	
Craig & Rose £1	£11		CPI Hldgs.	59	
Finlay Pkg. 5p	43		Carroll Inds.	116	
Higsons Brew.	83		Dublin Gas	60	
Holt (Jos) 25p	890		Hall (R. & H.)	46xd	
IoM Stm. £1	105		Heiton Hldgs.	16	+1
IRISH			Irish Ropes	55	

OPTIONS — 3-month call rates

"Recent Issues" and "Rights" Page 39

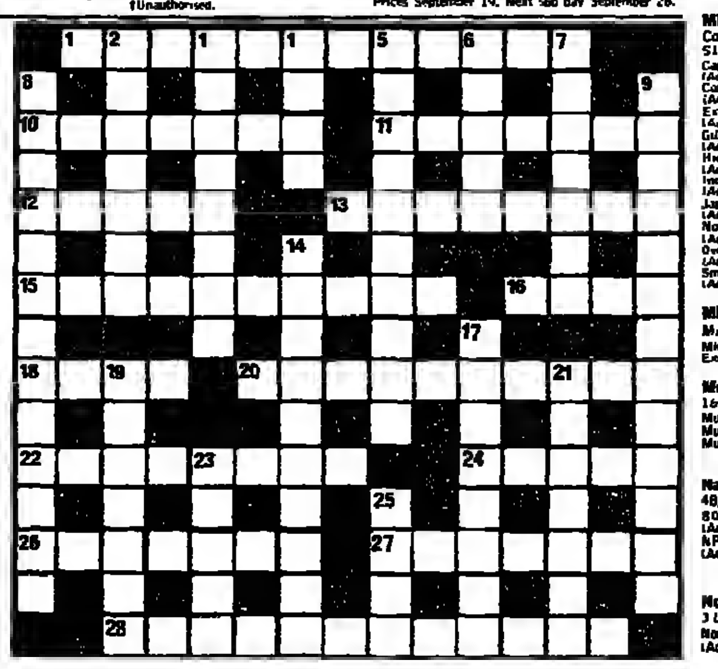
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,526



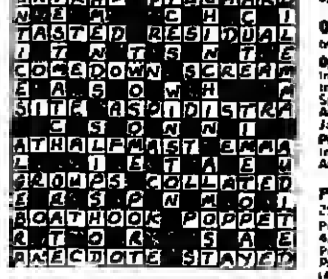
ACROSS

1 Excited Italian taped Spanish soprano (7, 5)
10 Train a body of aides (7)
11 Novel uncle has a right to this power (7)
12 Boy reverts to writing first principles (5)
13 Underworld transport used to seize goods (8)
15 Disciplinarian in education? (10)
16 After commercial, 40 per cent enjoy port (4)
18 Some eye Juno's messenger (4)
20 It may be a fatal delivery (6, 4)
22 Poor sad girl accepts point and is obedient wife (8)
24 Firm abstainer has a surplice (5)
26 Animal—record one at Chessington say, by noon (7)
27 Folding one's paper in Tokyo? (7)
28 Insect a source of wealth (5, 7)

DOWN

2 Mark a way south they adore (7)
3 Heard advance so I object to being solitary (8)
4 Want some fine editions (4)
5 Mention pet characters revealing a painting (10)
6 American leaves Roman orator silent (5)
7 Master heading off antelope in the country (7)
8 Liberal with fish by water in Essex (13)
9 Put up with a bird in Gretna misbehaving (4, 3, 4, 2)
14 Go up with topless girl showing dominance (10)
17 Disagreement at the tonsor's? (8)
19 Amin without single drink discovers element (7)
21 Excess shock (7)
23 Nothing in rising river to remove (5)
25 Wipe up quietly—that's a great display! (4)

Solution to puzzle No. 5,525



INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Joucke Remnant & Co.

Sel Spc A	25.0	26.4	—	—
Blue Chip	19.9	21.0	—	—
Fixed Yield	18.6	19.6	—	—
Guaranteed Mny	15.6	16.5	—	—
Managed	19.0	20.0	—	—
International	25.4	26.8	—	—
Property	15.4	16.3	—	—
Pacific	19.0	20.9	—	—
Equity	15.0	15.8	—	—
Special Sits	22.0	23.2	—	—
Int Currency	13.8	14.2	—	—
Index Linked Secs	10.6	11.2	—	—
American	20.0	21.1	—	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	13.49	14.17	—	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

Multi Gwth Sept 6	£2.78426		—	—
Multi Gwth 'A' Sept 9	254.8	268.9	—	—
Op 8 Prop Sept 20	262.2	276.1	—	—
Op 0 Equity Sept 24	325.7	342.9	−0.5	—
Op Hy Sept 20	262.5	276.4	—	—
Op N Man Sept 20	319.8	336.7	—	—
Op 8 Dep Sept 24	196.5	206.9	+0.1	11.76
Op 8 Bond Sept 20	174.8	184.1	—	—
Op 8 Inc Dist Sept 20	138.1	145.5	—	8.90
Op N Int Man Sept 20	187.6	197.5	—	—
Op N US$ Sept 20	147.3	155.1	—	12.12
Pens B Pr Ac Sept 14	331.1	348.6	—	—
Pens B Eq Ac Sept 14	885.2	957.8	—	—
Pens B FI Ac Sept 14	378.9	398.9	—	—
Pens B Md Ac Sept 14	550.5	579.5	—	—
Pens B Dp Acc Sept 14	308.8	325.1	—	—
PensBGart Glob Sept 14	100.2	105.5	—	—
Pens 0 Gart NA Sept 14	105.0	111.5	—	—
PensBGart Pac Sept 14	96.5	101.6	—	—

For Pensions Capital Units please ring extension 319.

Britannia Funds—Series A

Am Smlr Co's Sept 19	137.1	144.4	—	—
Am Spec Sits Sept 19	157.5	165.8	—	—
Commodity Sept 19	78.0	82.2	—	—
Extra Inc Sept 19	113.3	119.3	—	—
Far East Sept 19	106.4	112.0	—	—

National Provident Institution
48, Gracechurch St, EC3P 3HH 01-623 4200

Managed	183.4	193.1	−0.5	—
UK Equity	194.1	204.6	−0.5	—
Overseas Eq.	186.1	196.2	−1.6	—
Americas	190.9	201.0	−5.7	—
Far East	170.5	181.7	−2.0	—
Property	110.5	116.4	—	—
Fixed Int	156.4	164.7	+0.5	—
Indexed Gilt	97.6	102.8	+0.3	—
Deposit	111.9	117.8	—	—

Pension Fund Prices

Man Initial	182.2	191.8	−0.5	—
Man Acc.	200.6	211.2	−0.6	—
UK Eq. Initial	182.2	191.8	−0.2	—
UK Eq.	197.9	208.4	−0.1	—
Overseas Eq. Initial	206.0	216.9	—	—
Overseas Eq.	234.4	246.8	−1.6	—
Americas Initial	205.4	216.3	−3.7	—
Americas	223.8	236.0	−2.2	—
Far East Initial	217.7	229.2	−2.7	—
Far East	238.0	250.6	−2.9	—
Prop. Initial	105.3	111.1	—	—
Prop.	115.0	121.1	—	—
Fixed Int. Initial	140.5	147.7	+0.5	—
Fixed Int.	152.5	160.6	+0.6	—
Indexed Gilt Initial	92.3	97.2	+0.2	—
Indexed Gilt	100.7	106.1	+0.1	—
Deposit Initial	170.5	176.4	+0.1	—
Deposit	121.0	127.4	+0.1	—

NPI Pensions Management Ltd.

Managed Fund	485.0	497.4	—	—

Prices Sept 3. Next dealing October 1.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	342.0	352.4	—	—
UK Equity	149.2	157.0	−3.3	—
American	258.4	272.0	+3.5	—
Pacific	357.8	376.7	+5.6	—
Property	150.8	158.7	—	—
Gilt	171.9	181.0	+0.2	—
High Inc. Equity	143.0	150.6	−0.3	—
High Inc. Fxd Int.	104.1	109.6	—	—
Deposit	147.5	155.2	—	—
Index-Linked Gilt	99.6	104.8	—	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIG (Managed Funds) Ltd.

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.72	—	+0.04	—

Inv. Adv.: M & G Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	13.6	13.6	—	3.10
Chinese Fund	59.8	61.5	—	1.70
Precious Metal Fund	112.7	118.7	—	8.30
Vanguard Cmdy Fd	26.0	28.1	—	1.26
Financial Futures Fd	40.1	41.6	—	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd	$4.51	—	+0.04	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd 36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hall Mny Fd	9.50	9.78	Qtr	Call
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	10.21	10.60	6-mth	Call
7-day Fnd	12.53	10.88	6-mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE 01-236 1425				
Call Fnd	10.35	10.61	6-mth	Call
7 day Fund	10.45	10.67	6-mth	7-day
Money Mngt Acct	10.25	10.65	3-mth	Call
Dollar	10.31	10.53	6-mth	7-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY 01-638 6070				
Treasury Acc	10.375	10.78	Qtr	Call
Monthly Inc Chq Acc	10.25	10.14	Mthl	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	10.10	10.58	Mthl	Call
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int Cheque	10.25	10.65	Qtrl	Call
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL 01-588 2777				
Cater Allen	10.375	10.883	Mthl	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	10.25	11.75	Mth	Call
U.S. Dollar	10.50	11.17	Mth	Call
German Marks	5.0	5.14	Mth	Call
Swiss Francs	1.0	1.014	Mth	Call
Japanese Yen	5.00	5.19	Mth	Call
Choulartons 50 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	10.75	11.30	Mthl	Call
Co-operative Bank 78-80 Cornhill EC3 01-626 6341 Ex 464				
Cheque & Save	8.50	8.77	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	10.25	10.60	Qtr	Call
Lombard North Central PLC 17 Bruton St, W1A 10H. 01-409 3434				
Notice Dep	10.75	11.04	Rate	14-day
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford 0245 51651				
High Int Cheque Acc.	10.30	10.85	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 5738				
High Int Chq	10.00	10.38	Qtrl	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
High Int Stg Acc.	9.77	10.20	Daily	Call
Premier Acc	9.11	10.20	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	10.51	10.93	Qtr	Call
Money Acc	10.50	10.92	Qtr	Chq. 7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	10.25	10.75	Mthl	Call
Over £10,000	10.50	11.02	Mth	Call

NOTES —Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. A Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◆ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Tea values rise again at London's auctions

By Our Commodities Editor

TEA PRICES rose again at the London weekly auctions yesterday, but the advance was fairly modest. The indicative price for quality teas was up by 10p to 330p a kilo. Medium grade teas also gained 10p to 310p and low medium 6p to 270p. The overall average is expected to be about 10p higher making it just below 300p and still below the 317p record reached in January.

Mr George Neale, of Wilson Smithett & Cope, said the upward trend in prices was being maintained with a strong and active demand. However, no one was getting over excited, as happened in January, so the market was not so volatile.

Nevertheless, brokers generally believe that prices will continue to rise if India maintains its restrictions on exports, since the world shortage of supplies remains. On this occasion, however, the trade is taking a cautious approach bearing in mind the possible impact on demand of a sudden further surge in prices.

Reuter reported from Mombasa that there was less general demand at the East Africa tea export auction yesterday with uncertainty due to the irregularity of international currencies the previous week, the East African Tea Trade Association said.

In Nairobi the Kenya Tea Development Authority will pay smallholder tea farmers 5.5 Kenya shillings a kilo for green leaves this year compared with 2.5 shillings in 1982-1983, Mr William Arap Saina, the assistant Minister for Agriculture and Livestock, said.

Mr Saina told tea farmers at the weekend that the rise in world tea prices was the main reason for the doubling of payments

Unexpected rise in copper stocks

BY OUR COMMODITIES EDITOR

AN UNEXPECTED rise in warehouse stocks depressed copper prices on the London Metal Exchange yesterday. At one stage the three months quotation for higher grade copper dipped to £1,044 before rallying in the late afternoon on the weaker trend in sterling to close at £1,050.25 a tonne, £4.50 down on Friday's close.

The rise of 2,475 tonnes in copper holdings in the LME warehouses is the second consecutive weekly increase after a long period of declining stocks.

Traders had been expecting further shipments out to meet sales commitments to China and Japan.

In contrast to copper, warehouse stock declines helped boost lead and zinc values. Cash lead rose by £11.75 to £333.25 a tonne. Buying interest was stimulated by hopes of a rise in demand from battery makers following the tentative agreement ending the General Motors strikes.

Traders noted that Asarco, a leading U.S. lead producer, is threatened by the expiry of labour contracts at its Glover smelter in Missouri on September 30. Workers at other Missouri lead producers have been on strike for some time. Any further cut in supplies could be serious with LME lead stocks already at the lowest level since January 1982.

Zinc stocks in LME warehouses are at the lowest level for over nine years, but the latest figures from the European Zinc Institute, out yesterday, reported stocks of zinc held by non-Communist world smelters rose during August by 16,300 tonnes to 444,100 tonnes, against 352,900 tonnes at end of August 1983.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Changes in week ending Sept. 21)

Aluminium	−100 to 144,775
Copper	+2,475 to 162,700
Lead	−2,175 to 55,450
Nickel	−444 to 17,556
Tin	+5 to 24,940
Zinc	−2,600 to 41,650
	(tonnes)
Silver	−62,000 to 52,556,000
	(ounces)

Ban on citrus movements

WINTER HAVEN — Mr Doyle Conner, Florida's Agriculture Commissioner, banned intra-state shipment of citrus fruit for an indefinite period while the effort to track down outbreaks of Citrus Canker continues, Reuter reported.

Mr Conner said he was cancelling shipment permits previously issued to growers whose fruit had been certified free of canker.

The restrictions follow discovery of canker over the weekend in another Florida nursery, the sixth confirmed infestation.

Meanwhile Barbados banned imports of citrus fruit from Florida. An Agriculture Ministry statement said imports of contaminated fruit could threaten Barbados's own plantations.

Our Commodities Staff writes: orange juice prices fell back on the New York futures market in early dealings yesterday following crop estimates by the U.S. Department of Agriculture.

The department's annual crop report estimated the average yield per acre of the 1983-84 U.S. orange crop at 227 boxes per acre, against 300 in 1982-83 and 227 in 1981-82.

Cocoa price jumps on renewed crop fears

COCOA prices jumped again on the London futures market yesterday to reach the highest level since the end of May. The December position rose £28.50 to £2,014.50 a tonne, but there were gains of over £50 in the more distant delivery positions.

Until now the market has been dominated by a shortage of nearby supplies, but yesterday it rose on renewed fears of setbacks to next year's crops. Speculative buying was also encouraged by the market breaking through a significant chart point in New York.

● NEW ZEALAND'S first shipment of frozen lamb to Iraq for four years will leave next week. About 3,000 tonnes in all will be shipped.

● SOVIET cotton crop will meet and probably exceed the 9.4m tonnes official target, but the Soviets will continue to need imports from the U.S. well into 1985, the U.S. Agriculture Department office in Moscow said in a field report.

● INDIA'S sugar output fell to 5.8m tonnes in the first 10½ months of 1983/84 ending September from 8.2m in the same period last year, the Indian Sugar Mills Association said.

● U.S. roastings of green coffee in the week ended September 15 were about 325,000 (60 kilo) bags, including that used for soluble production, compared with 345,000 bags in the corresponding week of last year, George Gordon Paton and Co Inc said.

Roastings for the year to September 15 totalled 11.7m bags, compared with 11.29m bags in the same period last year.

● AUSTRALIAN sugar's first advance payment for the 1984 crop will be raised by A$20 to A$180 a tonne for 94 net titre raws, Mr Neil Turner, Queensland Primary Industries Minister said.

Even bigger grain crop expected

BY JOHN EDWARDS, COMMODITIES EDITOR

THE record UK grain harvest could beeven bigger the United Kingdom Agricultural Supply Association forecast yesterday.

Mr Anthony Andrews, president of Ukasta, said the association believed the Ministry of Agriculture had underestimated the wheat crop this year by 1m tonnes in its preliminary forecasts. Ukasta's figures, which were checked by local merchants, put the UK wheat crop at a massive 14.9m tonnes. This is 4.1m tonnes above last year's outturn of 10.8m tonnes.

Barley production this year is estimated at 10.6m tonnes, 600,000 tonnes above last year in spite of lower plantings. The total crop of all grains is predicted to reach 26m tonnes, 4.7m tonnes over last year, and some 4m tonnes over the previous record in 1982.

With domestic consumption expected to decline following the introduction of milk production quotas, Mr Andrews said the UK was likely to have a surplus of over 6m tonnes of wheat and 4m tonnes of barley.

He noted that other member countries in the European Community were also having record harvests. As a result, the EEC wheat surplus was forecast at 29m tonnes and barley at 14m tonnes.

Mr Andrews said that in the UK exceptional measures needed to be taken with this exceptional crop. He urged the Government and the Export Credits Guarantee Department to take immediate steps to make credit available so that the UK could compete on equal terms with fellow Community members on exports. "Export is the only real answer to the disposal of the UK surplus production," he said.

Presently, the main option for disposal of the harvest appeared to be intervention buying, which had already attracted a vast quantity of feed grain offers. However, Mr Andrews said this was only a short-term answer that would leave a long-term problem.

● Grain traders expect at least some of the provisional licences granted last week by the EEC Commission for exporting 4m tonnes to Soviet bloc countries to be taken up, in spite of the fall in the value of the dollar on Friday.

It is believed that the French traders get their sums right in calculating the various concessions made and will not have to withdraw all the applications as they did the previous week. However, it is very unlikely the full 4m tonnes will be taken up.

Meanwhile, Reuter reported from Brussels that representatives from leading wheat exporting countries will meet in Buenos Aires early next month to discuss the outlook for world markets.

GROWTH prospects for the consumption of basic foodstuffs in Europe are practically non-existent, according to Mr Michel Soupiet, chairman of the European Agricultural Confederation, writes John Wicks in Zurich.

Speaking at the opening of the confederation's general meeting in Avignon yesterday, he attributed this to a lack of regional population growth. At the same time, the high level of food consumption and the economic crisis had made consumers increasingly aware of prices and quality, while governments were applying restrictive farm price policies to cut back production and export subsidies.

This has been a black year for farmers, said Mr Soupiet.

Soviet sales for Sweden

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SWEDEN has made its first direct grain sale to the USSR for 12 years in a deal to supply 300,000 tonnes of wheat and oats.

The deal is worth SKr 300-350m (£28-£32.5m), said Mr Lennart Forsberg, managing director of the Swedish Grain Trading Association, a semi-state agency which handles exports of Sweden's grain surplus.

Sweden is heading for a record grain surplus this year of close to 2m tonnes, virtually double the normal level, but the deal with Moscow should take care of about 15 per cent of it.

Moscow is buying 250,000 tonnes of wheat and 50,000 tonnes of oats.

Relations between Sweden and the USSR have been strained for several years following repeated violations of Swedish waters and airspace by the Soviets.

In spite of further recent violations the Swedish Government has been trying for several months to improve contacts with Moscow.

During the summer, the first firm sign of a thaw came with the visit to Stockholm by Mr Valentin Mesyats, the Soviet Agriculture Minister.

The question of direct grain sales was broached during this visit by the Swedish Government, which is anxious to halt the continuing decline in trade with the Soviet Union.

For its part, the USSR is further diversifying its grain purchases, and some recent reports from the U.S. suggest that its grain imports could return this year to the record level of 45-46m tonnes reached in 1982.

Surge in Indian yields seen as breakthrough

BY D. P. KUMAR IN NEW DELHI

INDIA'S Agriculture Ministry has claimed an "incredibly high" grain yield of 151.54m tonnes in 1983-84 (April to March) ushering in a "second green revolution" in the country.

This is a big jump from the output of even four years ago, in 1979-80, of 128m tonnes. The target for 1984-85 estimates a grain yield of 154m tonnes, but from the present trend it will far surpass that.

In the big spurt in grain output some 10 years ago, the breakthrough was made in the northern states of Punjab, Haryana and Uttar Pradesh, but this time the agriculturally backward states have also moved fast on the farm production front, according to Mr S. P. Mukherji, the Agriculture Secretary.

The 1983-84 yield is some 19 per cent higher than the previous year's, and "is too astounding to be believed," according to Mr Mukherji. However procedures and techniques for estimating farm production were scientific enough not to leave any scope for estimates going wrong, he contended.

He also talked of "bulging buffer stocks, creditable procurement of foodgrains by government agencies, decrease in the offtake of foodgrains from the public distribution system and a decline in the wholesale prices of foodgrains."

If the trend is maintained, India could export foodgrains regularly in future.

PRICE CHANGES

In tonnes unless stated otherwise	Sept.24 1984	+ or −	Month ago
Metals			
Aluminium	£1100	....	£1100
Free Mkt	$1056/1085	—	$1180/210
Copper			
Cash h Grade	£1028.5	−6	£1043.75
3 mths	£1050.25	−4.5	£1066.5
Cash Cathode	£1030.5	−7	£1051.5
3 mths	£1048	−6.5	£1067.3
Gold troy oz	$347	+0.5	$350.25
Lead Cash	£333.25	+11.75	£357.25
3 mths	£337.75	+10	£359.12
Nickel	£5335	....	£5202
Free Mkt	218/220c	....	212/232c
Palladium oz	$148.00	+3.5	$137.95
Platinum oz	$329.50	+3.5	$343.75
Quick Silver†	$302/310	....	$300/310
Silver troy oz	616.65p	+24.35	578.95p
3 mths	633.35p	+24.85	583.35p
Tin cash	£9595	−27.5	£9258.5
3 mths	£9502.5	−90	£9609
Tungsten	$85.27	....	$89.49
W.fram22 04lb	$84/87	....	$80/83
Zinc	£660.5	+5.9	£530.5
3 mths	£617.75	+6.25	£641.25
Producers	$940	....	$990

	Sept. 24 1984	+ or −	Month ago
Oils			
Coconut (Phil)	$1940v	+30	$1000
Groundnut	‡	....	‡
Linseed Crude	‡	....	‡
Palm Malayan	$920x	....	$560
Seeds			
Copra Phil	‡	....	‡
Soyabean (U.S.)	$246w	+9.25	$665
Grains			
Barley Fut Jan	£110.20	−0.85	£108.30
Maize	‡	....	£153.00
Wheat Fut Jan	£109.00	−0.75	£107.80
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£2095	+28	£1899.5
Futures Dec	£2014.5	+28.5	£1799.5
Coffee Ft. Nov	£2417.9	−3	£2387.5
Cotton A index	72.55c	....	74.85c
Gas Oil Oct	$246.5	....	$236.5
Rubber (kilo)	62p	−1	61p
Sugar (raw)	$110x	+1	$119
Woolt'ps 64s	470p kilo	....	468pkl

‡ Unquoted. w Oct. x Nov. v Sept-Oct. y Oct-Nov. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	$27.90-28.15	+0.1
Dubai Fateh	$27.45-27.50	+0.02
Arab Heavy	$27.00-27.20	+0.05
North Sea (Forties)	$28.25-28.30	−0.03
North Sea (Brent)	$30.30-28.40	−0.1
African (Bonny Lt'ht)	$28.50	−0.02
Urals	$27.80-28.00	+0.09
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	263-266	—
Gas Oil	263-249	+0.5
Heavy fuel oil	179-181	—

GAS OIL FUTURES

The gas oil market opened firmly but failed to attract much interest and gradually fell to finish in the lows, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept.	240.00	+1.50	240.00
Oct.	242.50		244.00-42.25
Nov.	246.00	−0.25	247.75-45.75
Dec.	249.75	−0.25	250.25-45.75
Jan	299.75	—	251.50-51.25
Feb.	249.00		248.25
March	246.00	+1.50	247.00
April	236.00	−2.90	

Turnover: 549 (1,565) lots of 100 tonnes.

GOLD MARKETS

Gold rose just $½ an ounce from Friday's close in the London bullion market yesterday to finish at $346¾-347¼. The metal opened at $348¾-349¼ and traded between a high of $348¾-349¼ and a low of $345¼-346. Trading was rather subdued in view of current erratic trading surrounding the dollar.

In Paris the 12½ kilo bar was fixed at FFr 103,600 per kilo ($347.67 per ounce) in the afternoon compared with FFr 103,600 ($347.88) in the morning and FFr 105,900 ($338.60) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,745 per kilo ($348.01 per ounce) against DM 34,585 ($339.51) previously and closed at $345¾-346¼ from $343¼-344.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $348.25 at the fixing from $340.5 on Friday.

In Zurich gold closed at $346-346½ from $344-344½.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
Sept	—	—	—
Oct.	—	—	—
Dec	353.70-54.50	+2.95	356.0-54.10
Feb.	—	—	—
April	—	—	—
June	—	—	—
Aug	—	—	—

Turnover: 163 (342) lots of 100 troy ounces.

	Sept. 24		Sept. 21	
Gold Bullion (fine ounce)				
Close	$346¾-347¼	(£277¼-277¾)	$345¼-345¾	(£277⅛-278)
Opening	$348¾-349¼	(£276½-277¼)	$340-340½	(£281-281½)
Morning fixing	$347.25	(£277.978)	$336.75	(£280.021)
Afternoon fixing	$347.75	(£276.641)	$343.90	(£277.688)

Gold and Platinum Coins Sept. 24

Krugrnd	$307-357¾	(£285¾-286½)	King Sov	$83-84½	(£66½-67½)
½ Krug.	$184¼-185	(£147½-148)	Victoria Sov	$83-84½	(£66½-67½)
¼ Krug.	$94-94¾	(£75¼-75¾)	French 20s	$64½-66¼	(£51½-53)
1/10 Krug.	$38¼-39	(£30½-31¼)	50 Pesos Mex	$431-432½	(£346-346¼)
Mapleleaf	$356¼-357½	(£285¼-286)	100 Cor Aust	$339-340	(£269-272¼)
New Sov.	$81¼-89¾	(£65½-66¼)	$20 Eagles	$500-930	(£400¼-424¼)
½ New Sov.	$49-49¾	(£39¼-39¾)	Noble (Plat.)	$338¾-346¼	(£271-674¼)

EUROPEAN MARKETS

ROTTERDAM, Sept 24.

Wheat—(U.S. $ per tonne): U.S. two soft red winter Oct 158.50, Nov 159.25, Dec 160.50. U.S. two northern spring 14 per cent protein Oct 169, Nov 171, Dec 176. U.S. northern spring 15 per cent protein Sept 182, Oct 182.75, Nov 187.50. U.S. three hard amber durum Sept 191, Oct 184, Nov 187, mid-Nov/mid-Dec 190. Canadian one western amber durum Oct 204, Nov 210, Nov/Dec 211.

Maize—(U.S. $ per tonne): U.S. three yellow afloat 151, Sept 149, Oct 138, Nov 137, Dec 138, Jan/Mar 141 sellers. Argentine Plate Oct 168, April/June 152 sellers.

Soyabeans—(U.S $ per tonne): U.S. No 2 yellow Gulfports Oct 240, Nov 239.75, Dec 241.50, Jan 245.60, Feb 249, Mar 251.50, April 253.70, May 254.50 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent Oct 168, Nov 172, Dec 172, Nov/Mar 175 sellers. Pellets Brazil afloat 172, afloat cif Ghent 188.50, Sept 176, Oct 175, Nov 180, Dec 183.50, Jan/Mar 196 sellers. Pellets Argentine afloat 163, afloat cif Ghent: 162, Sept 163, Oct 163, Nov 167.50, Dec 171, Jan/Mar 179 sellers.

PARIS, Sept 24.

Sugar—(FFr per tonne): Dec 1477/1480, Mar 1521/1525, May 1565/1576, Aug 1620/1635, Oct 1660/1675, Dec 1680/1715.

Cocoa—(FFr per 100 kg): Sept 2500/2590, Dec 2323/2324, Mar 2239/2245, May 2235 bid, July 2240 bid, Sept 2245 bid, Dec 2245 bid.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. COPPER fell away to £1,044.5 following the unexpected rise in LME warehouse stocks, but later rallied to close the late kerb at £1,052 reflecting the fall in sterling during the afternoon. The fall in stocks coupled with good physical demand boosted LEAD to £338 and ZINC to £619. ALUMINIUM gained ground to close at £848 but NICKEL fell away to £3,872.5 and TIN to £9,510.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	1022-.9	−14	1028-9	−6
3 months	1044-.5	−12.5	1050-.5	−4.5
Settlem't	1022.6	−14	—	—
Cathodes				
Cash	1026-6	−11	1030-1	−7
3 months	1043-4	−19.7	1047	−6.5
Settlem't	1029	−11	—	—

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,022.5, three months £1,048, 45, 44.5, 45, 45.5, 45, 44.5. Cathodes: Cash £1,028. Kerb: Higher Grade: Three months £1,044.5, 45, 46, 45.5. Afternoon: Higher Grade: Three months £1,050.5, 51, 50.5, 50, 50.5, 51, 50.5. Kerb: Three months £1,050.5, 51, 51.5, 52, 52.5. Turnover: 23,225 tonnes. U.S. Producers: 61-65 cents per pound.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	9590-610	−252	9610-20	−7.5
3 months	9665-35	−285	9925-35	−47.5
Settlem't	9819	−255	—	—
Standard				
Cash	9990-600	−237	9585-605	−27.5
3 months	8500-5	−238	9500-5	−56
Settlem't	9600	−255	—	—
Straits E.	£29.15	......	—	—

Tin—Morning: Standard: Three months £9,550, 60, 50, 40, 45, 40, 20, 9,500, 05. Kerb: Standard: Three months £9,480, 50, 85. Afternoon: Standard: Three months £9,519, 20, 15, 19. High Grade: Cash £9,910. Kerb: Three months £9,510, 20, 10. Turnover: 1,280 tonnes.

LEAD

26 cents per pound.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	399-4	+8	333-.5	+11.7
3 months	337.5-8	+9.25	337.5-8	+10
Settlem't	344	+10	—	—

Lead—Morning: Cash £334, three months £335.5, 36, 35.5, 36, 35.5, 37, 38, 39, 38.5, 38, 37.5. Kerb: Three months £337, 38, 39. Afternoon: Three months £339, 38.5, 38, 38.5, 37.5. Kerb: Three months £337.5, 38, 38.5, 39, 38. Turnover: 17,800 tonnes. U.S. Spot: 23-26 cents per pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	620.5-1	−175	680-1	+8.5
3 months	615-.0	−1	617.5-8	+6.25
Settlem't	621	−9	—	—

Zinc — HIGH GRADE OFFICIAL/UNOFFICIAL PRICES: Cash am £685-£695, pm £690-700. Three months am £670-675, pm £675-678; settlement 695.
Zinc — Morning: Cash £621, three months £615, 15.5, 16, 15.5, 15. Kerb: Three months £613.5, 13, 12. Afternoon: Three months £614, 15, 16, 17, 17.5. Kerb: Three months £617, 17.5, 16, 19. Turnover: 9,075 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	912.5-5	−7.5	923-4	+19
3 months	836.5-7	−7	847.5-8	+17

Aluminium — Morning: Cash £812.5, three months £835, 36, 35, 35.5, 36, 36.5. Kerb: Three months £837, 36. Afternoon: Three months £842, 43, 44, 45, 46, 47, 48, 48.5, 48, 47, 48, 47.5. Kerb: Three months £848, 47, 48, 47.5, 48, 49, 48.5, 48. Turnover: 23,325 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	3762-8	−94	3769-75	−13
3 months	3860-5	−85	3865-70	−16

Nickel — Morning: Three months £3,870, 65, 66, 65. Kerb: Three months £3,860, 50, 40. Afternoon: Three months £3,885, 70. Kerb: Three months £3,875, 70. Turnover: 662 tonnes.

SILVER

Silver was fixed 24.35p an ounce higher for spot delivery in the London bullion market yesterday at 612.65p. U.S. cent equivalents of the fixing levels were: spot 765.2c, up 51c; three-month 786.2c, up 52.7c; six-month 808.2c, up 54.6c; and 12-month 855.6c, up 56.6c. The metal opened at 608¼-611¼p (787-770c) and closed at 612-615p (765-768c).

LME—(2,000 oz contract): Cash 611.5p (600.5p); three months 628.5p (619.5p). Turnover: 0 (0).

SILVER per troy	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	612.65p	+24.5	611.5p	+11
3 months	628.35p	+24.9	626.5p	+12
6 months	644.95p	+25.5	—	......
12 months	675.90p	+26.4	—	......

Turnover: 108 (88) lots of 10,000 ozs.
Morning: Large 1st ring three months 626; 2nd ring three months 627, 27.5, 27.7, 28, 27.7. Kerb: large three months 629. Afternoon: large 1st ring three months 624, 25; 2nd ring three months 629.5, 29, 28. Kerb: large three months 628.

COCOA

Although £20 easier during the morning futures later milled strongly and moved through limit-up to make new life-of-contract highs. Physicals trading was restricted to light second-hand activity for nearby positions, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Sept	2290-95	+14.0	2295-60
Dec	2014-15	+96.5	2024-52
March	1959-64	+48.5	1958-93
May	1946-49	+54.0	1948-65
July	1941-43	+93.0	1945-80
Sept	1941-43	+56.5	1940-80
Dec	1920-40	+57.5	1904-64

Sales: 5,992 (7,997) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound. Daily prices for Sept 24: 106.64 (107.08); five-day average for Sept 25: 105.90 (104.42).

COFFEE

Prices fluctuated in a narrow trading range for most of a dull session, reports Drexel Burnham Lambert. The recent support level of £2,430, basis November, held firm despite commission house selling but on the close forward positions, particularly January, met heavy pressure. The ICO talks have moved into their final week, but little market impact has emerged so far.

COFFEE	Yesterd'ys Close	+ or −	Business Done
Sept	2387-90	−81.5	2404-00
Nov	2417-18	−3.0	2433-15
January	2390-92	−22.0	2351-20
March	2206-08	−16.0	2229-07
May	2174-76	−11.5	2191-74
July	2147-50	−6.0	2161-60
Sept	2135-38	−8.0	2145-35

Sales: 2,279 (3,236) lots of 15 tonnes.
ICO indicator prices (U.S. cents per pound) for September 21: Comp daily 1979 139.55 (140.25); 15-day average 143.59 (144.16).

GRAINS

Business done—Wheat: Nov 105.80-5.00, Jan 109.20-8.75, Mar 112.40-2.10, May 115.90-5.40, July 117.15-6.80. Sales: 367 lots of 100 tonnes. Barley: Nov 107.20-6.40, Jan 110.25-10.20, Mar 113.30-3.10, May 115.80-5.35. Sales: 304 lots of 100 tonnes.

WHEAT Mnth	Yesterd'ys close	+ or −	BARLEY Yesterd'ys close	+ or −
Nov	106.30	−0.70	106.60	−0.89
Jan	109.00	−0.75	110.20	−0.85
Mar	112.40	−0.75	113.20	−0.80
May	115.80	−0.70	135.50	−1.00
July	117.19	−1.10		

LONDON GRAINS — Wheat: CWRS No 1 13½ per cent ex-origin transhipment Oct 155.25 nominal. U.S. Dark Northern Spring No 1 15 per cent half Sept/half Oct and Oct 151.75 nominal, Nov 152.75 nominal, half Nov/half Dec 154.75 nominal, Dec 157.50 nominal transhipment East Coast. U.S No 2 Soft Red Winter Oct 140 nominal, Nov 142.25 nominal, Dec 143 nominal. English feed fob Oct/Dec 108, Jan/March 113.50, April/May 117, April/June 117.50 sellers East Coast. Barley: English feed fob Oct 107, Nov 109.50 sellers. Scotland, Oct 109, Nov 110, Jan/March 115.75 sellers East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 97.70, N. East 101.00, Scotland 98.80. The UK monetary coefficient for the week beginning Monday September 30 (based on HGCA calculations using four days' exchange rates) is expected to remain unchanged at 0.990.

PIGMEAT

Physical prices were a little steadier over the weekend, but futures opened unchanged and moved up only slightly in lacklustre trading, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Oct	127.70	197.00	127.50
Nov	126.70	197.70	128.70-27.70
Feb	190.00	118.80	120.00
April	118.10	118.60	—
June	117.00	116.90	—
Aug	116.20	115.10	—

Sales: 92 (200) lots of 50 carcases, 3,250 kg.

POTATOES

The market opened steady, with April trading 80p higher during the opening call, before selling interest caused prices to drop. This pressure continued throughout the day, though actual business transacted was minimal, and the market closed at or near the lows, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov	62.90	63.50	96.19-62.60
Feb	72.30	76.50	75.80
April	95.00	56.70	97.50-95.00
May	93.10	93.30	92.00
Nov	77.50	79.50	—

Sales: 253 (292) lots of 40 tonnes.

RUBBER

PHYSICALS—The London market opened unchanged, attracted little activity throughout the day and closed very quiet, reports Lewis and Peat. Closing prices (buyers): Spot 62.00p (63.00p); Nov 76.75p (77.00p); Dec 76.75p. The Kuala Lumpur Oct fob prices for RSS No 1 was 216.0 (217.25) cents a kg and for SMR 20 was 200.5 (same).

SOYABEAN MEAL

The market opened £1 up in quiet conditions, reports T. G. Roddick. During the afternoon constant shipper selling interest pushed the market lower.

	Yestday's close	+ or −	Business Done
	£ per tonne		
October	136.00-32.50	+0.80	—
Dec	134.80-34.20	+0.65	135.00-34.00
Feb	141.00-41.50	+0.59	142.80-40.50
Apr	142.00-42.00	+0.45	—
June	142.40-49.50	+0.70	142.40-41.50
August	145.00-45.70	+1.10	—
October	145.00-48.00	+1.75	—

Sales: 7 (63) lots of 100 tonnes, 144 (481) lots of 20 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar $110.00 (£88.00), up $1.00 (down £2.00), a tonne for Sept-Oct-Nov delivery. White sugar $161.00, up $2.00.

The announcement of a fresh selling tender by San Domingo caused prices to fall some $3 from Friday night's highs, reports C. Czarnikow.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for September 21: Daily price 3.96 (3.89); 15-day average 4.13 (4.16).

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Oct	116.90-17.00	117.80-18.00	118.00-16.40
Dec	128.80-29.40	129.80-30.80	130.20-29.00
Mar	144.80-45.00	145.40-45.60	147.20-44.60
May	152.40-52.80	153.20-53.40	154.00-52.70
Aug	162.80-62.80	162.80-63.00	163.80-62.40
Oct	170.00-70.20	179.40-70.60	171.20-69.80
Dec	176.40-79.60	177.20-80.00	—

Sales: No 6 1,800 (3,007) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £200.50 a tonne for export.

WOOL FUTURES

FUTURES—Close (buyer, seller, business). RSS No 1. £ per tonne. Oct 610, 630, 610; Nov 615, 660, nil; Dec 625, 670, nil; Jan 635, 680, nil; Feb 645, 690, nil; Mar 655, 700, nil; April 665, 710, nil; May 675, 720, nil; June 685, 730, nil; 1984 Oct/Dec 625, 660, nil; 1985 Jan/Mar 655, 690, 665; 1985 April/June 680, 720, nil. Sales: 1 (0) lot of 5 tonnes, 9 (11) lots of 15 tonnes.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 554.0, 554.9, 554.0-554.0; Dec 562.0, 562.5, 563.0-561.0; Mar 573.0, 574.5, 579.0; May 578.0, 583.0, untraded; July 584.0, 587.0, u/t; Oct 570.0, 590.0, u/t; Dec 579.0, 594.0, u/t; Mar 585.0, 598.0, 598.0. Sales: 27.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 505, 510, 509; Dec 510, 515, 513; Jan 512, 517, 517-515; Mar 517, 521, 521-19; May 527, 529, 529-527; Aug 538, 540, 540-539; Oct 540, 543, 544-541; Dec 540, 545, 547; Jan 544, 547, 547; May 552, 555, nil. Sales: 64.

COTTON

LIVERPOOL — Spot and shipment sales amounted to 85 tonnes. Few dealings occurred with only limited offtake. Scattered operations were directed towards Middle Eastern qualities.

TEA AUCTIONS

LONDON TEA AUCTION — 23,839 packages were on offer, including 400 packages in the offshore section. Demand was strong and active. New seasons Assams gained 10-25p and sometimes more with keen competition. Bright Africans and coloury mediums advanced 10-20p while plainer sorts were fully firm to sometimes 10p dearer. Ceylons also met an active inquiry with prices moving 10-15p higher. Offshore teas received a strong demand at dearer rates. Quotations quality 350p a kg (340p), medium 310p a kg (300p), low medium 270p a kg (264p).

INDICES

FINANCIAL TIMES

Sep. 21	Sep. 20	M'th ago	Yearago
269.33	267.81	293.91	291.47

(Base: July 1 1952=100)

REUTERS

Sept 24	Sept 21	M'th ago	Yearago
1861.4	1871.9	1862.7	1868.9

(Base: September 18 1931 = 100)

MOODY'S

Sept. 21	Sept. 19	M'th ago	Yearago
978.3	993.6	1015.5	1056.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Sept. 11	Sept. 10	Month ago	Year ago
Spot	135.91	138.06	131.65	141.7
Fut	165.12	137.14	129.34	149.11

(Base: December 31 1974 = 100)

MEAT/FISH

COVENT GARDEN — Prices for the bulk of produce, in sterling per package unless otherwise stated. English produce: Apples—Per pound, Cox's 0.25-0.30, Bramley new crop 0.11-0.13, Howgate 0.09-0.09, Discovery 0.12-0.15, Russets 0.16-0.29, Worcester Pearmain 0.12-0.19, Tydeman's Worcester 0.12-0.15, Katy 0.16-0.20. Pears—Per pound William's 0.07-0.09, Conference 0.12-0.15. Plums—12-lb, Victoria 2.40-3.00, Damson 2.40-2.50, Marjorie's Seedling 2.40-2.50. Raspberries—½-lb 0.80-0.90. Strawberries—½-lb 0.30-0.60. Potatoes—Per bag 56-lb, 2.30-3.00, bakers 5.50-6.00. Mushrooms—Per pound, open 0.75-0.80, closed 0.85-1.00. Lettuce—Per tray round 1.20-1.40, Cos dozen 1.50-1.60, Webb's 1.60-1.80; Iceberg 12's 4.50-5.00, 15's 3.80. Carrots—28-lb new crop 1.00-1.70. Greens—Primo 1.50-1.80; crates, green 2.20-2.40. Tomatoes — Tray 12-lb 2.40-2.50. Cucumbers — Tray 2.70-3.20. Cauliflowers—Dozen, Lincs 3.00-3.50. Spring onions—Bunch 0.08-0.10. Radishes—Bunched 0.12-0.14. Celery — Prepack 2.80-3.00; loose 1.80-2.00. Watercress—Ice pack 20's 3.40-3.50. Salad—Crisps 16's 1.00-1.10. Courgettes—Per pound 0.28-0.30. Stick beans—Per pound 0.25-0.30. Beetroot—Bags 28-lb 1.50-1.80. Onions — 56-lb bag 2.50-3.20. Capsicums — Per pound 0.28-0.30. Sprouts—Per pound 0.20-0.25. Marrows—Dozen 1.80-2.00. Corn on the cob—Each 0.13-0.15. Fennel—Tray 10-lb 3.00-3.50. Leeks—Per pound 0.25-0.30. Swedes — 28-lb 1.60-1.70. Parsnips—28-lb 2.60-2.80. Cobnuts—Per pound 0.48-0.50.

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 76.0 to 83.0; English forequarters 56.9 to 58.0; Eire hindquarters 86.0 to 50.0. Veal—Dutch hinds and ends 128.0 to 131.0. Lamb—English small 62.0 to 68.0, medium 60.0 to 64.0.

AMERICAN MARKETS

NEW YORK, September 24

Gold and silver came under modest selling pressure in response to renewed dollar strength late in the session along with a weak tone to financials, reports Heinold Commodities. An increase in LME stocks posed resistance to copper values. Aluminium was higher on short-covering based on an oversold condition along with expectations of production cutbacks. Sugar came under pressure from arbitrage selling. The lack of roaster support encouraged technical selling in coffee. Cocoa rallied in response to reports of downward revisions in the Brazilian main crop. Cotton showed a steady tone on the lack of producer offers. Heating oil was steady to firm with traders anticipating a bullish industry stock report, military threats by Iraq had no impact on the markets. Soyabeans and maize finished moderately to fractionally lower as local and professional selling more than offset commercial support and on lack of rains in the winter wheat areas.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	46.25	—	—	45.90
Oct	46.30	—	—	45.95
Dec	47.35	48.25	47.10	47.00
Jan	47.90	47.90	47.90	47.55
March	48.95	49.60	49.60	48.55
May	50.10	51.20	50.80	49.50
July	51.25	52.35	51.70	50.65
Sept	52.40	53.50	52.75	51.70
Dec	54.05	—	—	53.30
Jan	54.60	—	—	53.85

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2418	2424	2385	2370
March	2346	2360	2312	2289
May	2342	2342	2310	2283
July	2333	2336	2308	2388
Sept	2333	2330	2308	2286
Dec	2333	2337	2332	2289

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	137.46	37.35	37.41	39.58
March	136.08	38.35	36.00	37.75
May	135.01	36.75	34.80	36.50
July	134.38	35.75	33.80	35.83
Sept	132.88	34.25	32.75	35.89
Dec	132.05	33.00	33.00	32.29

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	56.45	57.10	56.40	56.45
Oct	56.50			56.56
Nov	57.19			57.20
Dec	57.75	58.40	57.70	57.95
Jan	58.36			58.45
March	59.55	60.25	59.55	59.65
May	60.70	61.30	60.75	60.80
July	61.85	62.10	61.50	61.96
Sept	63.00	63.15	63.00	63.10
Dec	64.80	65.30	64.95	64.90

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	63.70	64.30	63.60	64.00
Dec	64.96	65.48	64.85	65.22
March	66.59	67.30	66.55	66.87
May	67.70	68.20	68.10	68.00
July	68.90	69.50	68.95	69.01
Oct	69.15	69.50	69.20	69.40
Dec	69.75	—	69.75	69.90
March	70.30	—	—	70.41

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Nov	29.50	29.57	29.48	29.47
Dec	29.70	29.75	29.67	29.66
Jan	29.66	29.71	29.66	29.63
Feb	29.58	29.63	29.60	29.55
March	—	29.50	29.50	29.49
April	29.44	—	—	29.39
May	—	—	—	29.27
June	—	—	—	29.21

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	345.5	—	—	347.3
Oct	345.0	348.9	345.5	347.9
Dec	352.3	355.0	351.8	354.3
Feb	358.8	361.5	358.0	360.8
April	365.1	368.0	364.5	367.2
June	372.0	374.9	371.5	374.1
Oct	386.1	389.5	387.0	398.1
Dec	393.8	395.0	395.0	395.5
Feb	401.4	403.0	403.0	403.2
April	409.2	410.3	408.3	410.9
June	417.7	420.0	420.0	419.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Oct	81.25	81.60	80.90	81.36
Nov	82.75	82.84	82.50	82.58
Dec	83.90	83.95	83.55	83.84
Jan	84.30	84.50	84.25	84.33
Feb	84.00	84.10	83.60	83.75
March	80.60	80.50	80.80	80.50
April	—	78.50	78.50	78.55
May	—	—	—	78.15
June	77.00	—	—	77.60

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	182.35	83.60	79.30	83.30
Jan	183.19	85.00	80.19	83.85
March	183.60	83.80	80.75	83.90
Sept	181.40	80.80	79.75	81.30
Nov	179.90	81.00	81.00	81.30
Jan	175.50			81.30

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	321.7	—	—	328.0
Oct	322.6	30.6	21.0	328.8
Dec	328.1	37.5	32.0	—
Jan	331.7	39.5	31.0	337.8
April	340.5	48.0	40.0	346.7
July	349.4	58.0	56.5	355.5
Oct	358.4	65.5	65.5	364.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	761.4	773.0	760.9	764.5
Oct	763.9	765.9	765.5	768.0
Nov	770.0	—	—	773.0
Dec	777.0	790.0	772.0	780.0
Jan	781.1	—	—	787.0
March	798.6	811.9	793.9	801.2
May	813.2	825.0	811.5	815.7
July	828.4	40.0	822.0	830.8
Sept	844.8	857.0	842.0	846.9
Dec	870.2	883.9	870.0	872.4

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	4.01	4.12	3.87	4.12
Jan	4.68	4.80	4.64	4.78
March	5.22	5.37	5.21	5.35
May	5.55	5.72	5.55	5.70
July	5.87	6.01	5.87	6.01
Oct	9.36	9.53	9.34	9.51
Jan	6.70	6.90	6.70	6.86

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	61.85	62.30	61.77	62.27
Dec	63.22	63.45	63.05	63.32
Feb	63.82	64.00	63.55	63.72
April	65.12	65.50	65.02	65.17
June	66.17	66.30	66.05	66.19
August	64.32	64.55	64.30	64.40
Oct	62.87	63.10	62.80	63.00

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	45.40	45.70	45.17	45.77
Dec	46.85	47.10	46.50	47.40
Feb	48.60	48.85	48.45	49.29
April	46.67	46.80	46.25	47.17
June	49.90	46.97	49.50	50.60
July	49.92	50.30	49.80	50.97
August	48.95	49.75	48.95	50.00
Oct	47.25	47.50	47.25	47.55
Dec	46.00	46.00	46.00	45.80

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	284.2	286.4	283.4	285.0
March	288.2	291.2	287.4	290.2
May	291.0	295.2	290.0	294.0
July	292.2	296.0	291.2	295.0
Sept	283.4	286.4	282.4	286.0
Dec	274.0	278.4	274.0	278.0
March	282.0	284.0	282.0	285.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	61.42	61.60	60.90	62.40
March	60.55	60.85	60.10	61.52
May	61.65	61.80	61.05	62.27
July	62.75	63.00	62.00	63.12
August	60.50	61.15	60.20	60.80

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Nov	597.6	602.0	591.0	598.4
Jan	601.5	613.4	601.4	609.4
March	615.4	627.0	615.0	622.4
May	625.2	635.4	625.0	632.4
July	629.8	641.0	629.0	639.6
August	630.0	640.4	630.0	636.4
Sept	622.0	629.0	622.4	625.9
Nov	621.0	624.4	619.0	622.9

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Oct	146.8	148.8	146.2	148.1
Dec	152.8	154.5	152.1	153.8
Jan	156.4	157.5	156.0	156.9
March	159.7	162.0	158.8	160.3
May	164.5	165.5	164.5	165.7
July	167.8	170.0	167.5	169.5
August	167.5	169.0	167.9	169.7
Sept	168.5	167.0	166.9	168.9
Oct	166.0	166.0	166.0	166.9

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Oct	25.07	25.75	25.00	25.45
Dec	24.23	24.95	24.11	24.77
Jan	24.10	24.70	24.00	24.60
March	23.92	24.40	23.85	24.35
May	23.76	24.20	23.75	24.10
July	23.63	24.00	23.50	23.95
August	23.50	23.90	23.44	23.80
Sept	22.94	—	—	23.00
Oct	22.75	—	—	23.00

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	352.4	353.4	350.9	351.4
March	358.2	359.4	356.4	357.2
May	355.6	357.0	354.2	355.4
July	340.2	341.6	339.0	339.2
Sept	344.4	345.0	343.4	343.0
Dec	356.9	358.0	358.0	—

SPOT PRICES—Chicago loose lard 27.00 (same) cents per pound. New York tin 547.0-58.0 (550.0-67.0) cents per pound. Handy and Harman silver bullion 762.5 (747.0) cents per troy ounce.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak but above lows

Further intervention by the West German Bundesbank pushed the dollar weaker in currency markets yesterday. Participation was strictly limited amid confusion as to bow the dollar would react in tho longer term. Economic factors underpinning the dollar remain unchanged but there was o marked reluctance to push the dollar in oither direction.

Early intervention by the Bundesbank saw tho dollar fall to a low of DM 2.9750 but as tha Bundesbank withdrew there was a consolidation to just above DM 3.00. It closed at DM 3.0230 still well down from Friday's level of DM 3.0600.

Elsewhere tha dollar finished at SwFr 2.4925 from SwFr 2.5075 and FFr 9.2455 from FFr 9.40. It was slightly firmer against the yen at Y244.10 from Y244.00. On Bank of England figures, its index closed st 140.9 from 142.3.

Sterling's index closed at 76.7 from 76.9, having touched a low at noon of 76.6. It was only slightly weaker against the dollar at $1.2465 from $1.2475 bnt fell quite sharply against major European currencies. There was little to explain tha fall although the possibility of an escaletion in the miners' strike may have undermined confidence.

Sterling closed at DM 3.7575 down from DM 3.8300 and SwFr 3.1025 from SwFr 3.1550. It was also weaker in terms of tha yen al Y304 from Y304.12½ and FFr 11.5265 from FFr 11.8425.

D-MARK — Trading range against the dollar in 1984 is 3.1265 to 2.5535. August average 2.8630. Trade weighted index 121.4 against 127.1 six months ago.

Further intervention by the Bundasbank pushed the dollar sharply lower io Frankfurt yesterday. Tho U.S. unit was fixed at DM 3.0210 compared with DM 3.1624 oo Friday with the Bundesbank selling $9.75m at the fixing. This followed earlier dollar sales estimeted at $200m following on Friday's intorvention of sbont $500m. Tho Bundesbank's early doller sales pusbed the U.S. unit below DM 3.0 but it recovered when tbe authorities withdrew. Trading was extremoly nervous with currencies quoted on a very wido spread.

There was little to suggest bow effective the recent ventioo may be i othe longer term with dealers ooting an absence of follow throogh dollar sales once the Buodesbank had wlthdrawn. After the fixing the dollar eased once more to around the DM 3.0 level. Elsewhere eterling fell sharply to DM 3.7800 from DM 3.8430 and the Swiss franc to DM 1.2145 from DM 1.2315. Tho Japanese yen was also weaker ot DM 1.2385 per Y100 from DM 1.2775 while EMS currencies also ebowed a softer treod.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Sept 24	Previous
8.30 am ...	76.8	—
9.00 am ...	76.8	—
10.00 am ...	76.7	—
11.00 am ...	76.7	—
Noon	76.6	—
1.00 pm ...	76.7	—
2.00 pm ...	76.7	—
3.00 pm ...	76.8	—
4.00 pm ...	76.7	—

New York rates

	Sept. 24	Prev. close
£ Spot	$1.2430-1.2440	$1.2505-1.2520
1 month	0.06-0.09 dis	0.06-0.08 dis
3 months	0.83-0.27 dis	0.21-0.25 dis
12 months	1.35-1.60 dis	1.35-1.35 dis

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu September 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.3465	+0.99	+0.99	±1.5447
Danish Krone ...	8.14104	8.09994	−0.56	−0.50	±1.6425
German D-Mark	2.24184	2.23466	−0.32	−0.32	±1.0642
French Franc ...	6.87456	6.85904	−0.23	−0.23	±1.4052
Dutch Guilder ...	2.52595	2.51981	−0.24	−0.24	±1.4964
Irish Punt	0.72569	0.720297	−0.74	−0.74	±1.6898
Italian Lira	1403.49	1386.64	−1.20	−1.20	±4.1505

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 24	£	$		£ Note Rates
Argentine Peso ..	110.40-110.56	87.90-87.97	Austria...........	26.50-26.80
Australia Dollar.	1.5050-1.5070	1.2005-1.2015	Belgium	76.45-77.45
Brazil Cruzeiro..	2,816.85-2,832.85	2,242-2,253	Denmark..........	15.59-15.76
Finland Markka..	7.8125-7.8344	6.2550-6.2600	France...........	11.61-11.66
Greek Drachma .	154.00-154.80	122.90-123.80	Germany	3.76-3.80
Hong Kong Dollar	9.8150-9.8250	7.8075-7.8125	Italy	2295-2355
Iran Rial	118.50*	93.35*	Japan............	305-310

* Selling rates.

CURRENCY MOVEMENTS

Sept. 24	Bank of England Index	Morgan Guaranty Changes%
Sterling	75.7	−15.7
U.S. dollar..........	140.9	+27.1
Canadian dollar....	90.1	−3.4
Austrian schilling..	111.8	−3.3
Belgian franc.......	88.4	−11.5
Danish Kroner......	76.2	−6.7
Deutsche mark.....	121.4	+5.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

POUND SPOT—FORWARD AGAINST POUND

Belgian rate is for convertible francs. Financial franc 76.60-76.60. Six-month forward dollar 0.58-0.63c dis. 12-month 1.40-1.60c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.40-61.50.

EXCHANGE CROSS RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 11-11⅛ per cent; seven days 11⅛-11⅛ per cent; one month 11¾-11⅞ per cent; three months 11⅞-11¾ per cent; six months 11⅝-11¾ per cent; one year 11⅞-12 per cent. Long-term Eurodollars: two years 12⅛-12⅜ per cent; three years 12⅜-12⅞ per cent; four years 12⅝-13 per cent; five years 12⅞-13⅛ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates slightly easier

Interest retes were lower in London yesterday in rather subdued trading. Sterling was a littlo weaker overall but tho dollar was significantly weaker. Interbank rates were virtually flat from one month to ono year indicating the lack of any trend. Three-month interbank monoy eased to 10⅝-10¾ per cent from 10⅞-11 per cent while three-month eligible bank bills were bid at 10⅜ per cent compared with 10 7/16 per cent. Overnight interbank money opened at 10½-10¾ per cent and eased to 8 per cent before rising at the close to 11 per cent.

Tha Bank of England forecast a shortage of around £750m with factors affecting the market including maturing assistance and a take-up of Treasury bills together draining £963m and Exchequer transactions a further £40m. In addition banks brought forward balances £40m below target. On the other hand thore was a fall in tho note circulation of £275m.

The forecast was revised to a shortage of around £700m, before taking into account the early help and the Bank gave additional assistance in the morning of £496m. This comprised purchases of £81m of oligiblo bank bills in band 1 at 10⅜ per cent and £119m in band 2 at 10⅜ per cent. In band 3 it bought £31m of eligible bank bills at 10⅜ per cent and in band 4 (64-91 days) £3m of oligible bank bills at 10⅜ per cent. It also arranged salo and repurchose agreements on £282m of bills at 10⅜ per cent, uowinding in equal amounts on September 26 and 27.

To help alleviate the shortage, the Bank offered an early round of assistance when it bougbt £142m of bills comprising, £39m of aligible bank bills in band 1 (up to 14 days) at 10⅜ per cent and in band 2 (15-33 days) £8m of local authority bills and £95m of eligible bank bills all at 10⅜ per cent. In band 3 (34-63 days) it bought £2m of eligible bank bills at 10⅜ por cent.

In Frankfurt call money was quoted as bigh as 5.6 per cent as demand for short-term liquidity built up. Banks' borrowing through tho Lombard facility was estimated at DM 13bn on Friday, up from DM 10.6bn on Thursday. A tighter market also reflects the Bundesbank's beavy dollar sales just recently. A further pressure has arisen out of tax peyments due this mooth. Tba Bundesbank is expected to announce a fresb sale and repurcbase plan later this week to replace an existing DM 8.2bn facility tbat expires on Monday. Yesterday's rise in rates increased speculation that the Bundesbank may bring forward any announcement on a new repurchase plan.

UK clearing banks' base lending rate 10½ per cent (since August 20)

MONEY RATES

Sept. 24	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight........	5.5-5.6	11⅛	1⅞-1⅞	0⅝-5¾	6.40620	17-17⅜	10.50	12-19¼
One month	5.60-5.75	10⅞-11	5⅜-0½	5⅞-6	6.45870	16⅞-17¼	11 1/16-11⅛	18⅜-12⅞
Two months........	5.65-5.80	10⅞-11	—	—	—	—	—	12⅞-13⅛
Three months......	5.70-5.85	10⅞-11	0⅝-5⅞	6⅛-6⅞	6.34375	17¼-17⅜	11-11⅛	13-18¼
Six months........	5.90-6.05	10 11/16-10 13/16	—	6⅛-6⅞	—	—	11-11⅛	15⅞-13¾
Lombard...........	0.6	—	—	—	—	—	—	—
Intervention	—	11	—	6¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Sept. 24 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits
Overnight.......	—	8-11	10⅝-10¾
2 days notice...	—	—	10⅝-10¾
7 days or	—	—	—
7 days notice...	—	10½-10¾	10⅝-10¾
One month......	10 11/16-10 9/16	10¾-10⅞	10¾-10⅞
Two months....	10 11/16-10 9/16	10¾-10⅞	10¾-10⅞
Three months	10¾-10⅝	10¾-10⅞	10¾-10⅞
Six months.....	10⅝-10⅛	10¾-10⅞	10¾-10⅞
Nine months ...	10⅝-10½	10¾-10⅞	—
One year	10 11/16-10 9/16	10¾-10 13/16	10¾-10⅞

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits
One month......	11¼-10⅞	—	10 11/16
Two months....	11¼-10⅞	—	10⅞
Three months..	11¼-10⅞	—	10⅞
Six months......	11¼-10⅞	—	10 11/16
Nine months....	11¼-10⅞	—	10 11/16
One year.........	11¼-10⅞	—	10 11/16
Two years.......	—	11⅛-11¼	—
Three years.....	—	11⅜-11½	—
Four years......	—	11⅜-11¾	—
Five years.......	—	11⅝-11⅞	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period August 6 to September 4 1984 (inclusive): 10.806 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11½ per cent from September 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice. Treasury Bills: Average tender rates of discount. Certificates of Tax Deposit (Series 8): Deposit £100,000 and over held under one month 11 per cent; one-three months 11 per cent; three-six months 11 per cent; six-nine months 11 per cent; nine-12 months 11 per cent. Under £100,000 10½ per cent from September 12. Deposits held under Series 6 10½ per cent. The rates for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. September 24)

3 months U.S. dollars

bid 11 7/16	offer 11 9/16

6 months U.S. dollars

bid 11 11/16	offer 11 13/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Softer tone

Prices were mostly marked down in the Loodon International Financial Futures Exchaoge yesterday. Trading volume was significantly lower in the aftermoth of tho dollar's sharp rise and even sharper fall oo Friday.

Gilt prices showed no early trend aod aftor opening at 106-19, whicb proved to be the day's high, the December contract drifted with most business confined to 106-08—106-13. Sterling's weaker trend cootributed to a further easlog in tho afternoon with a closing rate of 106-01 compered with Friday's settlement figure of 106-12.

Short sterling followed mucb the samo pattern with movements throughoot the day generally mirroring the fortunes of sterling. A slight easing in cash rates failed to provido any impetus and the December contract closed at 89.72 compared with 89.73 on Friday, having traded in a range of 89.87 to 89.71.

Three-month Euro-dollar deposits failed to attract much inspiration although ovor 3,000 lots wore traded in the December contract. There was little fresb economic news to encourage any trend. Lower casb rates failed to provide any interest. Tba December price opened at 88.71 and traded up to a high of 88.72, having touched a low of 88.66. It closed at 88.67 down from 88.77 on Friday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	88.67	88.72	88.66	88.77
March	88.43	88.48	88.42	88.55
June	88.17	88.25	88.16	88.31
Sept	87.95	—	—	88.09

Est volume 3,636 (5,041)
Previous day's open int 10,566 (10,163)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	111.70	111.70	111.88	112.40
March	111.70	—	—	112.40

Est volume 192 (517)
Previous day's open int 1,009 (1,156)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	67-12	67-18	67-06	67-25
March	66-25	66-27	66-22	67-06

Est volume 659 (1,364)
Previous day's open int 1,039 (027)

CHICAGO

£ WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on September 24, 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY	CURRENCY	VALUE OF £ STERLING

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for September 24.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 84	100	94¾	95⅛	−0⅝	−0⅝	12.86
All Nippon Airways 14 94	100	109⅝	109⅞	+0¼	+0⅝	12.24
American Savings 12 89	125	†96	96½	−0⅝	0	13.09
American Sav 12¼ 89	100	97⅞	98⅛	+0⅛	+0⅝	12.84
Austria Rep 13⅝ 92	100	102⅝	103⅛	−0⅛	0	12.99
Bank of Tokyo 13⅝ 91	100	102⅛	102⅝	−0¼	+0¾	13.04
C.N.C.A. 13¼ 01	100	100¾	100¾	+0⅛	+0⅝	13.09
Cassa Nat Tele 13¾ 91	100	102¾	103¼	+0⅛	−0¼	13.02
Coastal Int 12¼ 88	125	†98⅛	98⅝	−0¼	−0⅛	12.77
Creditanstalt 13¼ 01	100	99	99½	−0½	−0¼	13.26
Denmark Kingdom 13 91	100	98¾	98⅞	−0⅝	−0¼	13.28
Denmark 13⅞ 00 XW	100	101⅝	102⅛	−0¼	0	13.20
Denmark Kingdom 14 91	100	104⅛	104⅝	−0⅛	0	12.98
E.I.B. 12½ 00	100	98⅛	98⅝	−0⅛	0	12.88
E.I.B. 12⅞ 94	100	99¼	99¾	0	+0⅛	12.93
E.I.B. 13 89	200	98¾	99¼	−	−	13.16
Ex-Im Bk Japan 13¼ 91	75	102⅛	103	−0⅝	+0⅛	12.59
First Mich 13¼ 89 May	125	†101	101⅛	−0⅝	−0⅝	12.84
First Mich 13¼ 89 July	75	†101	101⅛	−0⅝	−0½	12.84
Florida Fed Sav 12⅞ 89	100	00	98½	−0⅛	+0¼	12.85
Gen Elec Credit 0 98	800	28¾	29¼	+0⅛	+0¼	11.07
Genossen Zentral 14 91	100	103	103⅛	−0⅝	−0⅝	13.21
GMAC O/S Fin 13 88	200	101⅛	101¾	−0½	−0¼	11.93
Ibm Credit Corp 11¾ 07	200	00⅝	99⅛	−	−	12.21
Indust Bk Japan 11⅛ 89	125	94¾	95¼	−0⅛	0	13.08
Indust Bk Japan 13⅞ 91	125	107½	107⅝	−0⅝	−0¼	12.10
Japan Air Lines 12½ 94	70	101⅛	101⅝	0	+1⅛	11.73
Japan Air Lines 13⅝ 94	180	104¼	104¾	−0⅝	+1¾	12.54
L.T.C.B. 13⅝ 91	125	103⅛	104	−0⅛	+0¾	12.75
Macy O/S 11¾ 01	100	95⅛	96⅝	−0⅝	−0½	12.54
Mitsui Trust Fin 12 91	100	95⅛	95⅝	−0⅛	+0⅝	13.07
Montagu 13¼ 91	100	101	101½	−0⅛	−0⅛	12.98
Montreal, City 12½ 91	70	95⅝	96⅛	−0¼	−0¼	13.44
Morgan Guaranty 12⅛ 89	150	97	97½	−0¾	+0¼	13.03
Newfoundland Prov 13 91	75	†100½	101	+0⅛	−0¼	12.78
Nippon Cred Bk 13⅞ 89	100	102⅛	102⅝	−0¾	−0¼	13.14
Nippon Tele 11⅞ 90	100	00⅛	98⅝	−0¼	−0⅛	11.76

CAPITAL MARKETS

EUROBONDS

New York fall hits Eurodollar issue

BY MAGGIE URRY IN LONDON

DEPRESSED by the fall in the New York bond market on Friday, the Eurodollar bond market was quiet yesterday with prices falling by ¼ points. Issue managers are still expecting more U.S. corporate borrowers to tap the market, but there was only one new issue yesterday, a $40m convertible from Accor, the French hotel group.

The deal has a 14¼ year maturity, a 7½ per cent coupon and par issue price. Holders can convert into the shares at FFr 237.78, a premium of 5.725 per cent to yesterday's price. The issue was lead managed by Morgan Grenfell and Société Générale. The issue was not traded actively, though dealers said the pricing looked reasonable and expected it to change hands comfortably inside total fees of 2½ per cent.

The Norwegian Ministry of Finance has agreed to an increase in the World Bank's Euro-Norwegian krone issue from NKr 200m – the usual maximum – to NKr 250m, making this the largest deal ever in the sector. Lead manager Christiania Bank reported strong demand for the issue, which traded around the 100½ issue price.

The World Bank has also tapped the domestic Belgian franc market for BFr 3bn, with a six-year bond carrying an 11½ per cent coupon and issued at par. A group of six banks, headed by Société Générale de Banque, underwrote the issue. The deal is equivalent to a bulldog or Yankee bond, being an issue by a foreign borrower in a domestic market, but as yet the Belgians have not developed a nickname for this type of bond.

Algemene Bank Nederland is lead managing its own private placement of Fl 150m Euronotes. The notes have a five-year life and a 7¾ per cent coupon with a par issue price. The issue looked to be going well with grey market trading indicating a level well inside the 1¼ per cent selling concession.

With uncertainty about the level of the dollar and with many bankers in Washington this week, trading was quiet in the German and Swiss markets. Both saw bond prices little changed.

BHF Bank bond average		
Sept 24		Previous
100.537		100.526
High	1984	Low
100.537		98.056

OVER-THE-COUNTER

Continued from Page 32